



KENTUCKY

Cabinet for Health and Family Services

8th Annual eHealth Summit 2015

Start With 'WHY' in



John R. Langefeld, MD

September 30, 2015

So, How's Your Day Going?



Inflection Point

That which causes a business (or industry) to make a *fundamental shift*
IF THEY ARE GOING TO SURVIVE

➤ Entertainment



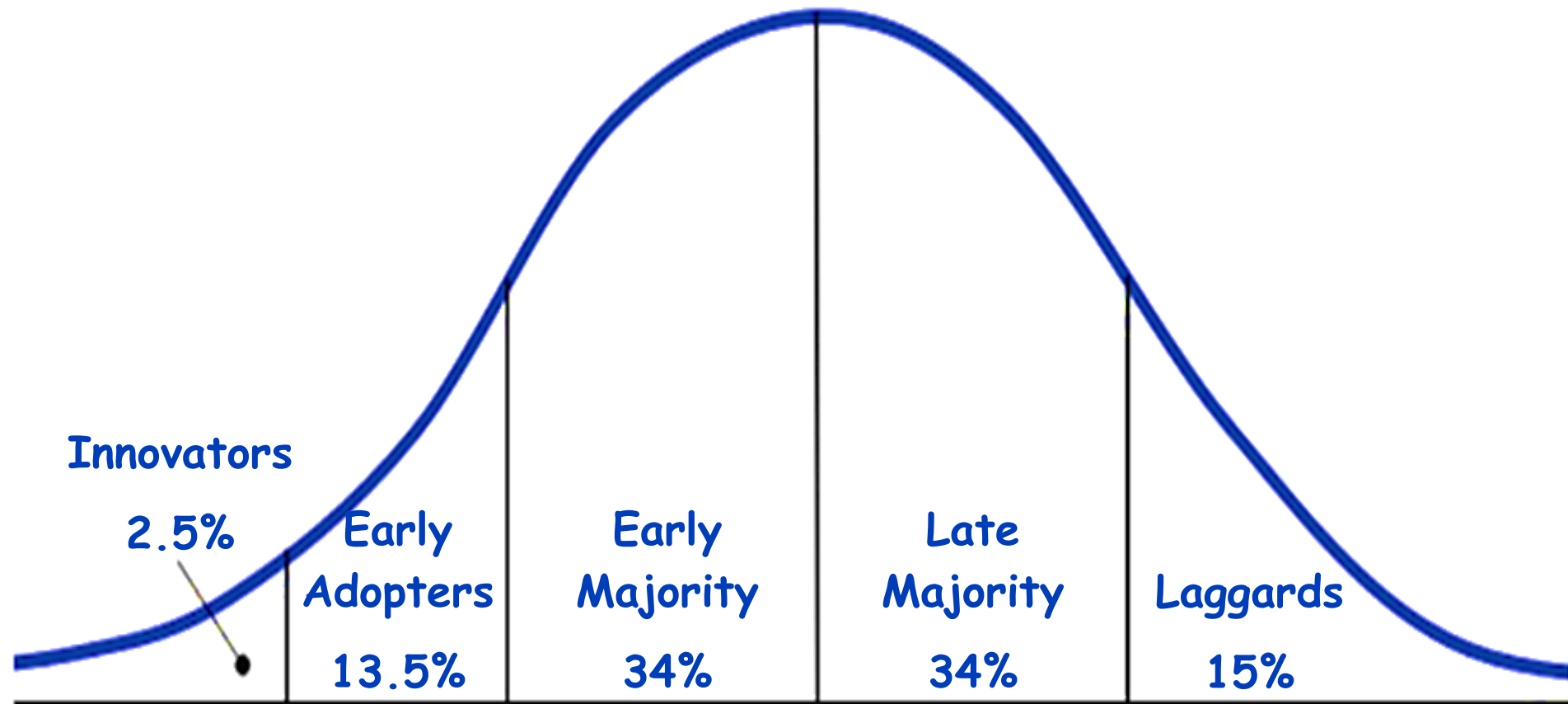
➤ Transportation



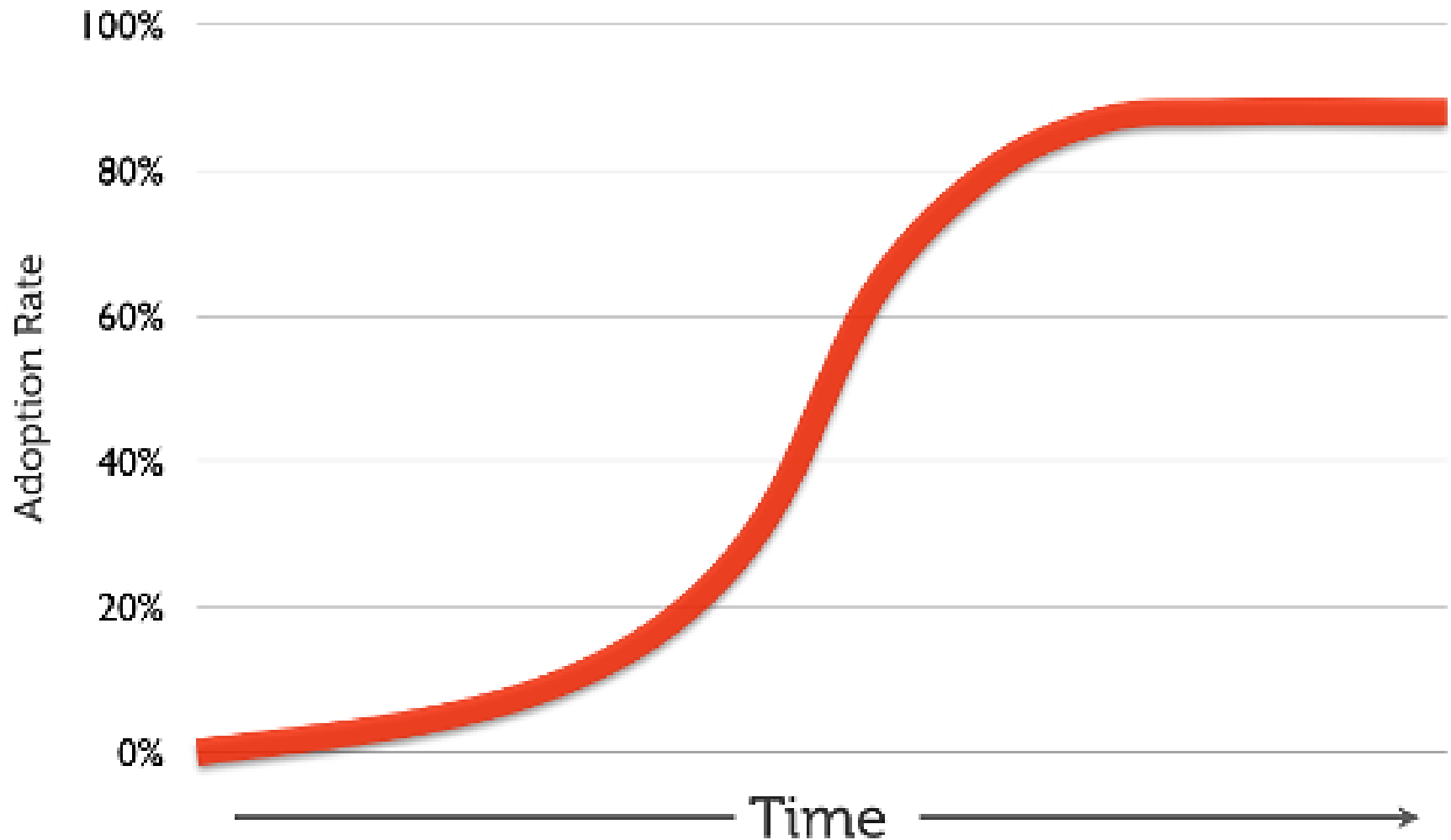
➤ Customer Convenience



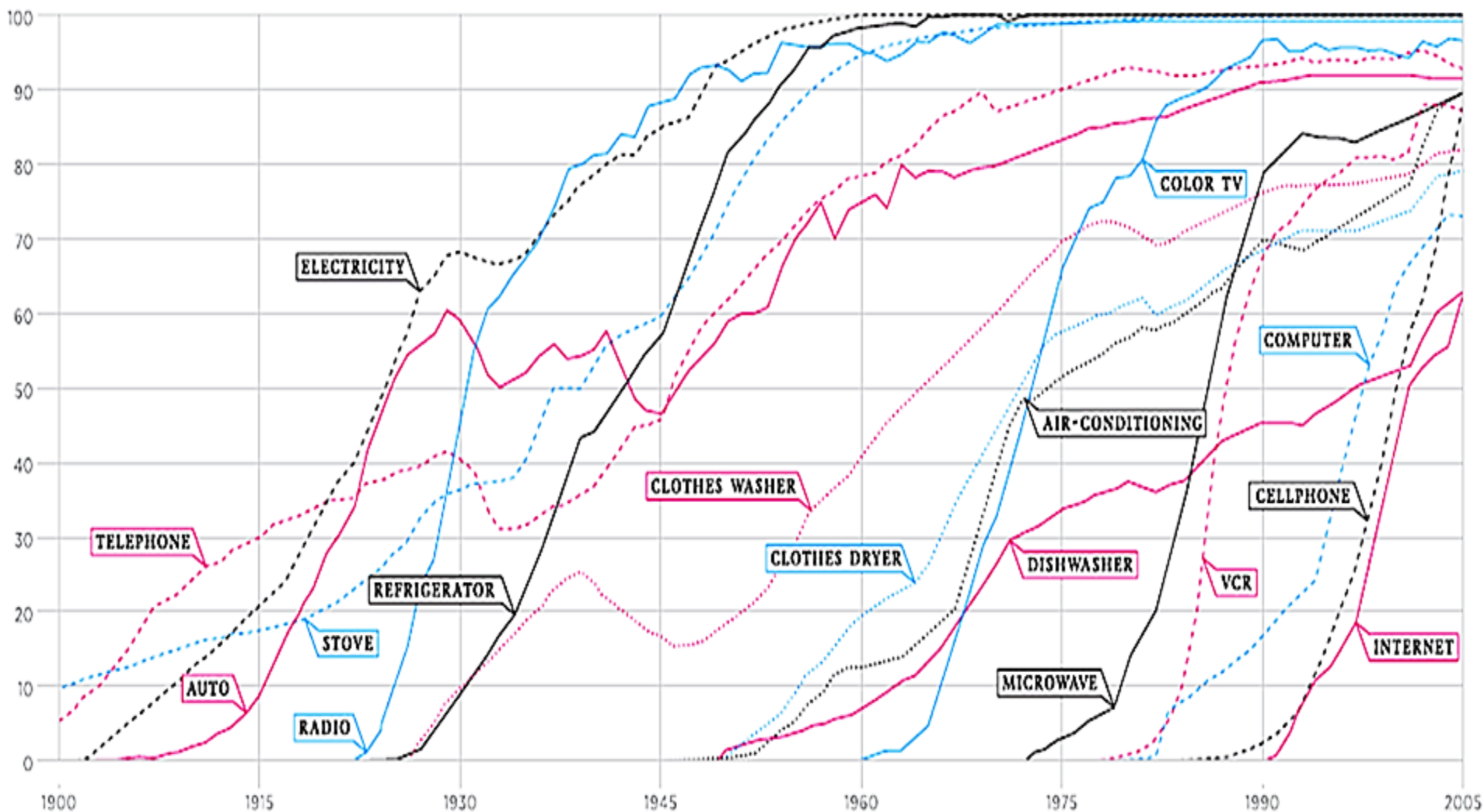
Classic Bell-Shaped Diffusion Curve



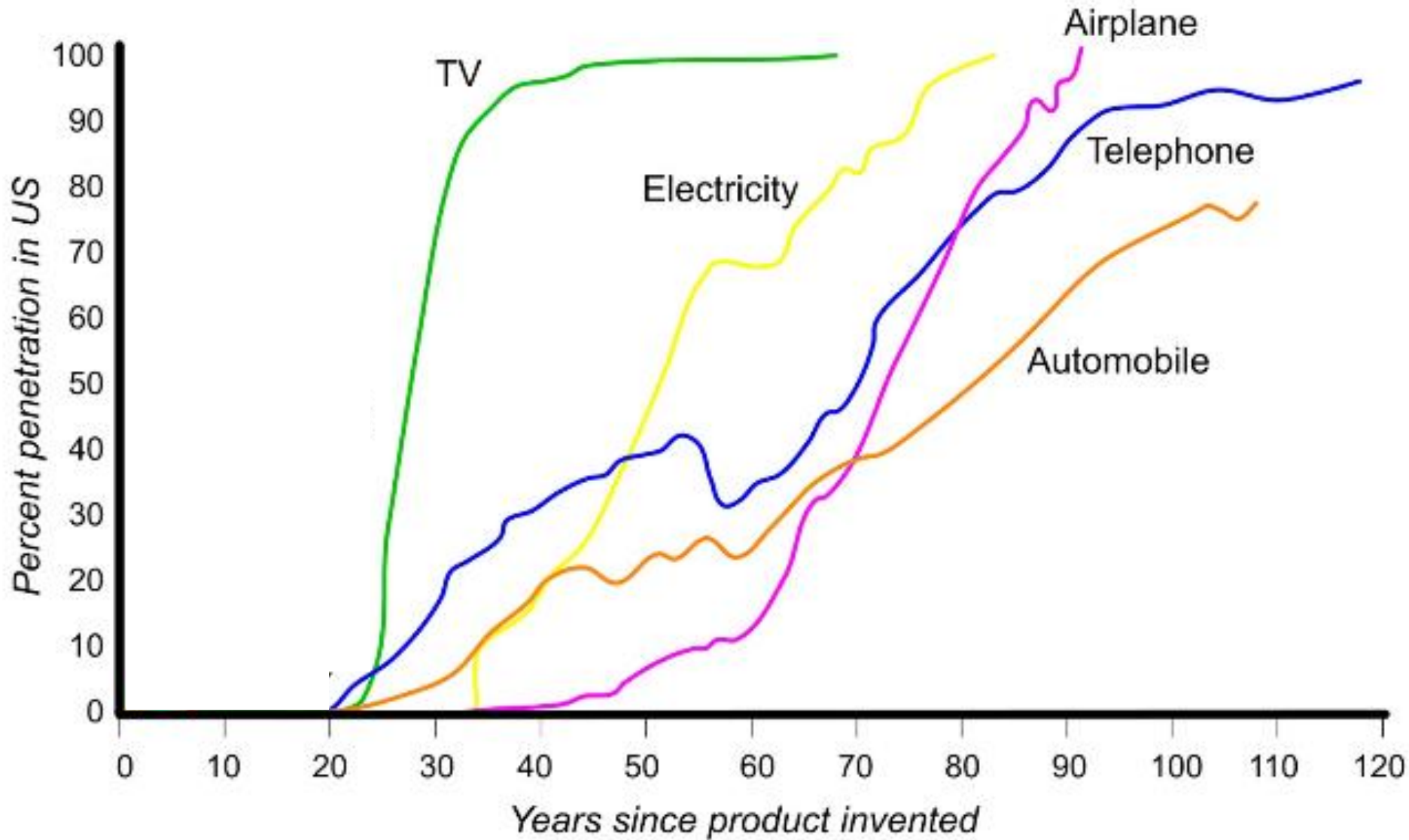
Classic S-Curve Adoption Model



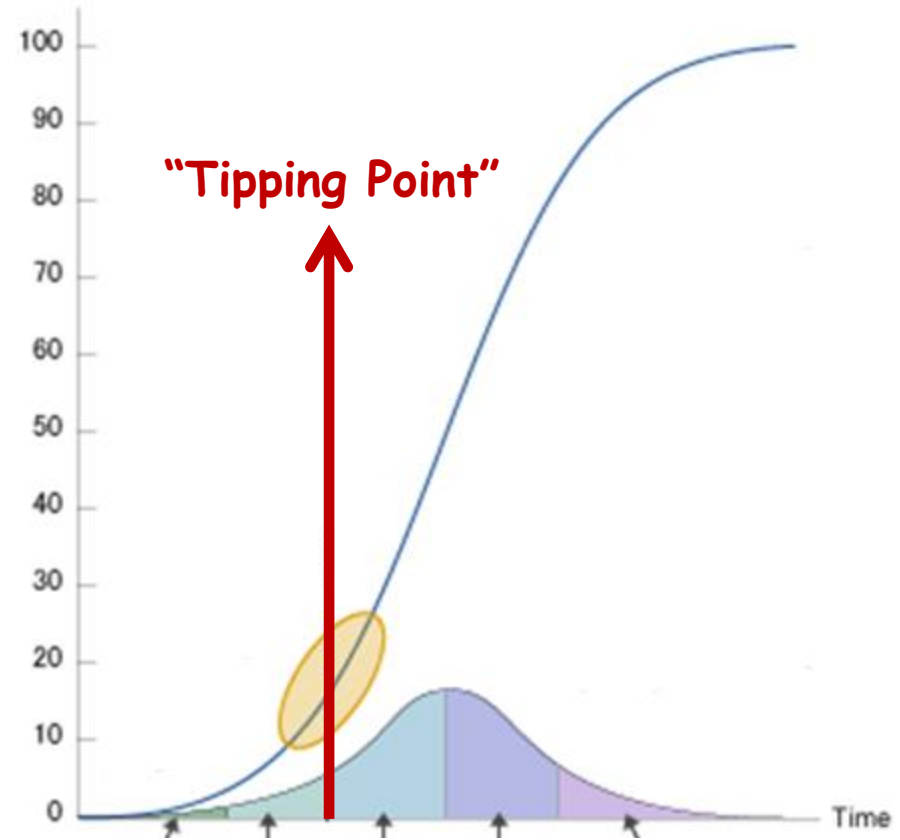
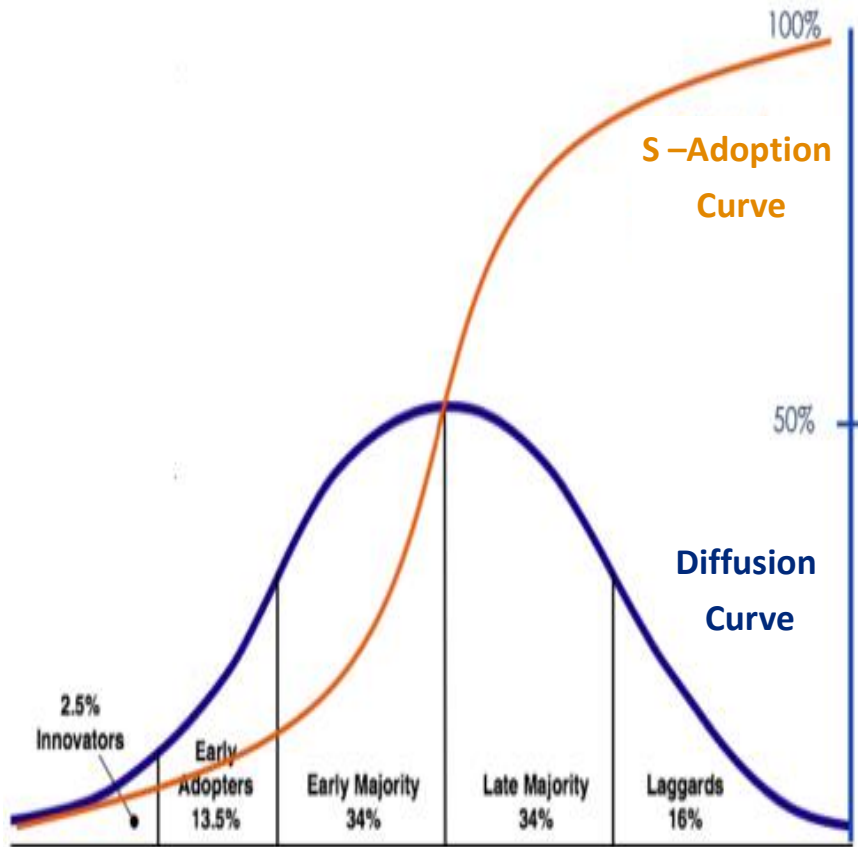
S-Curve Examples



Increasing Speed of Adoption



Theories



Theories

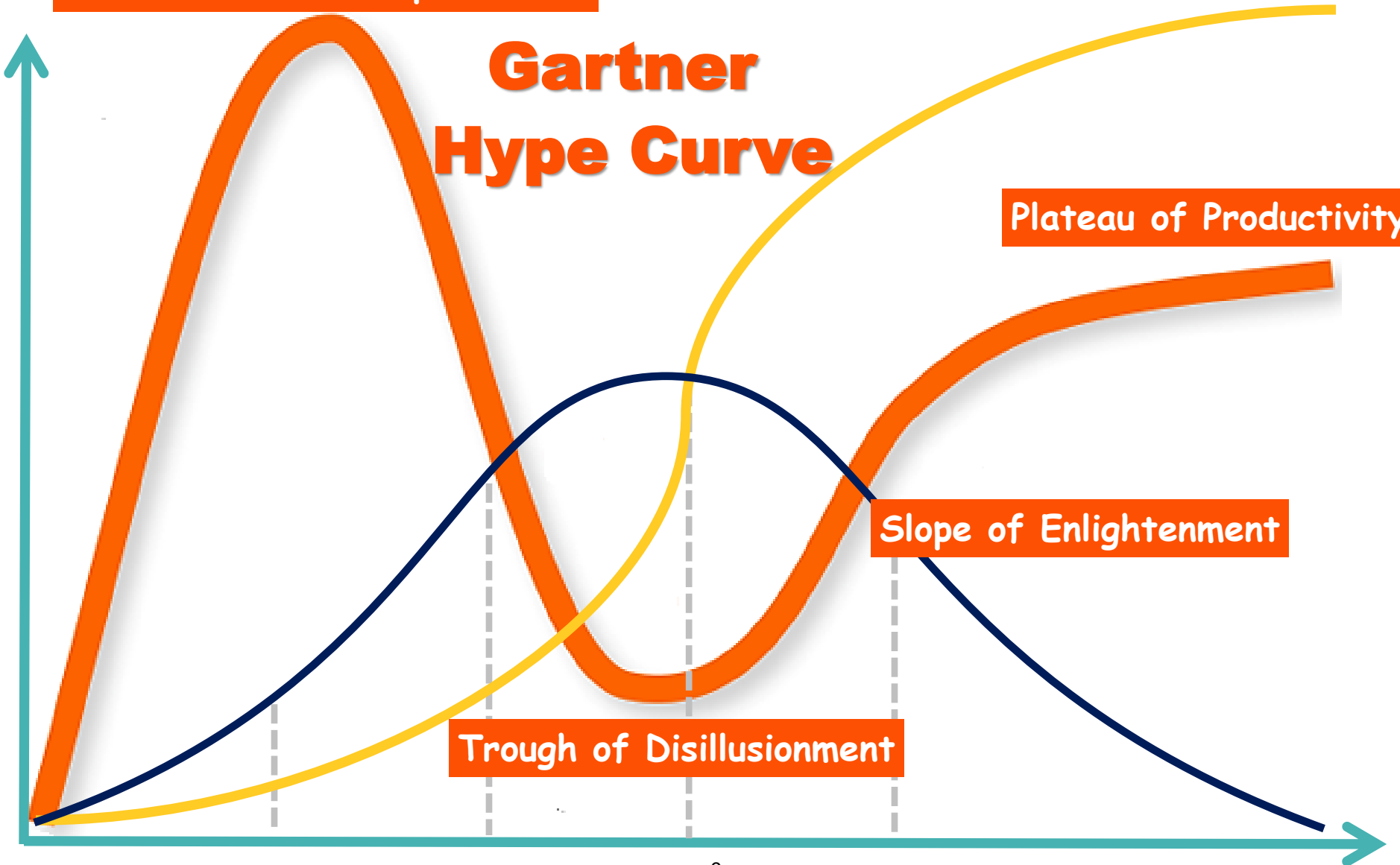
Peak of Inflated Expectations

Gartner Hype Curve

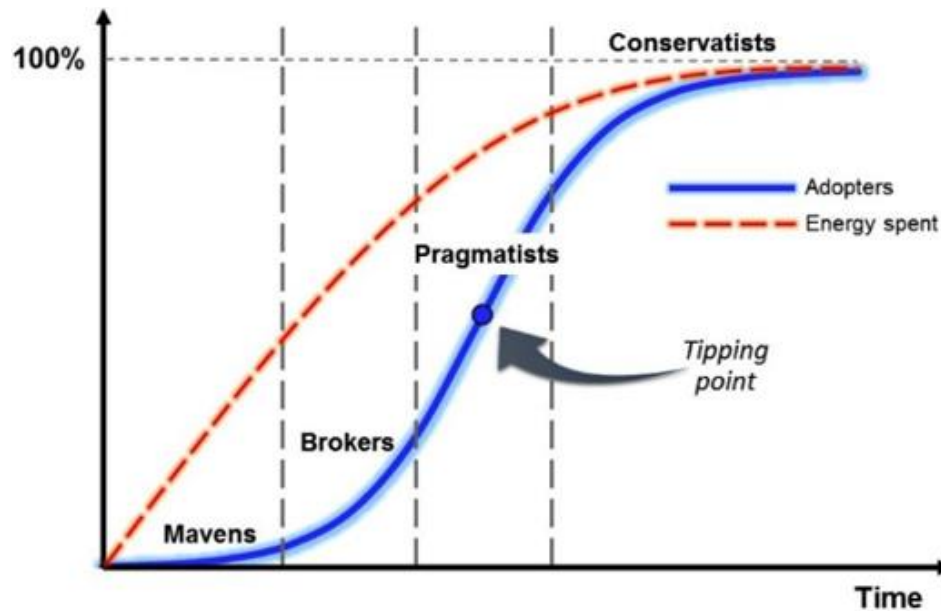
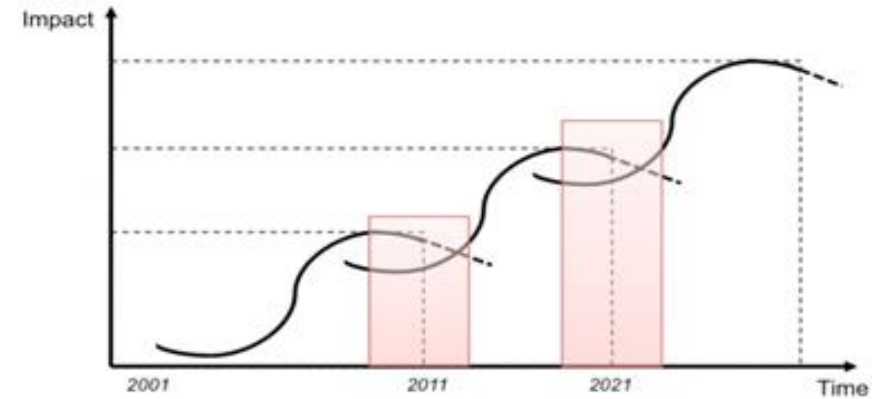
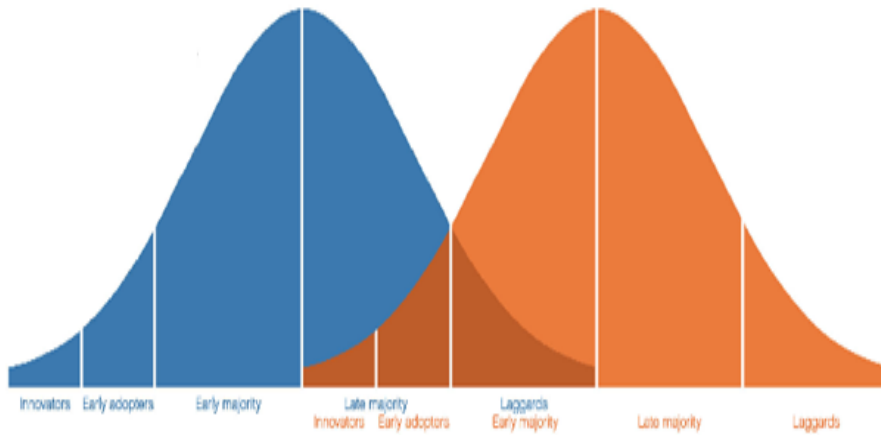
Plateau of Productivity

Slope of Enlightenment

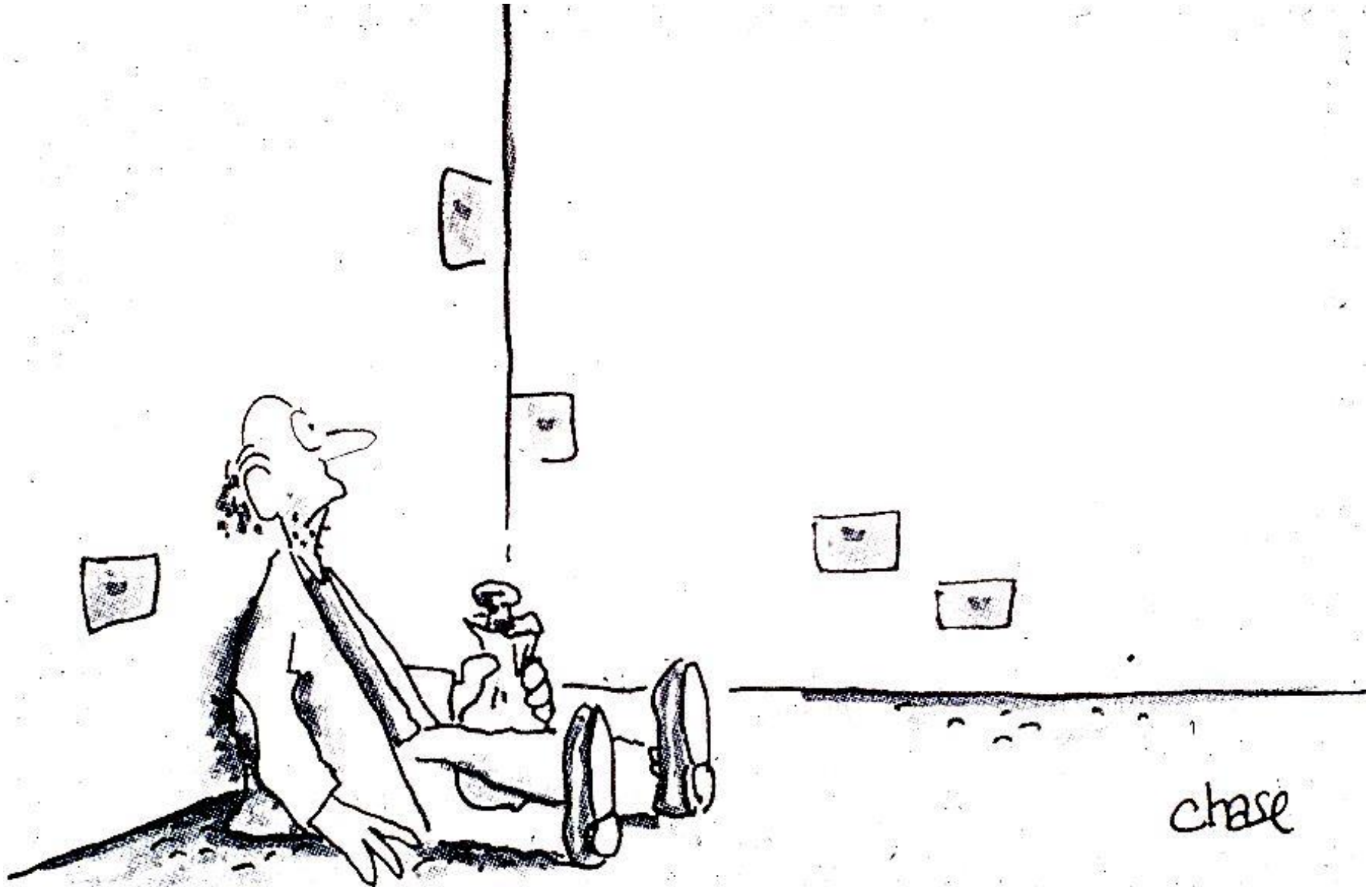
Trough of Disillusionment



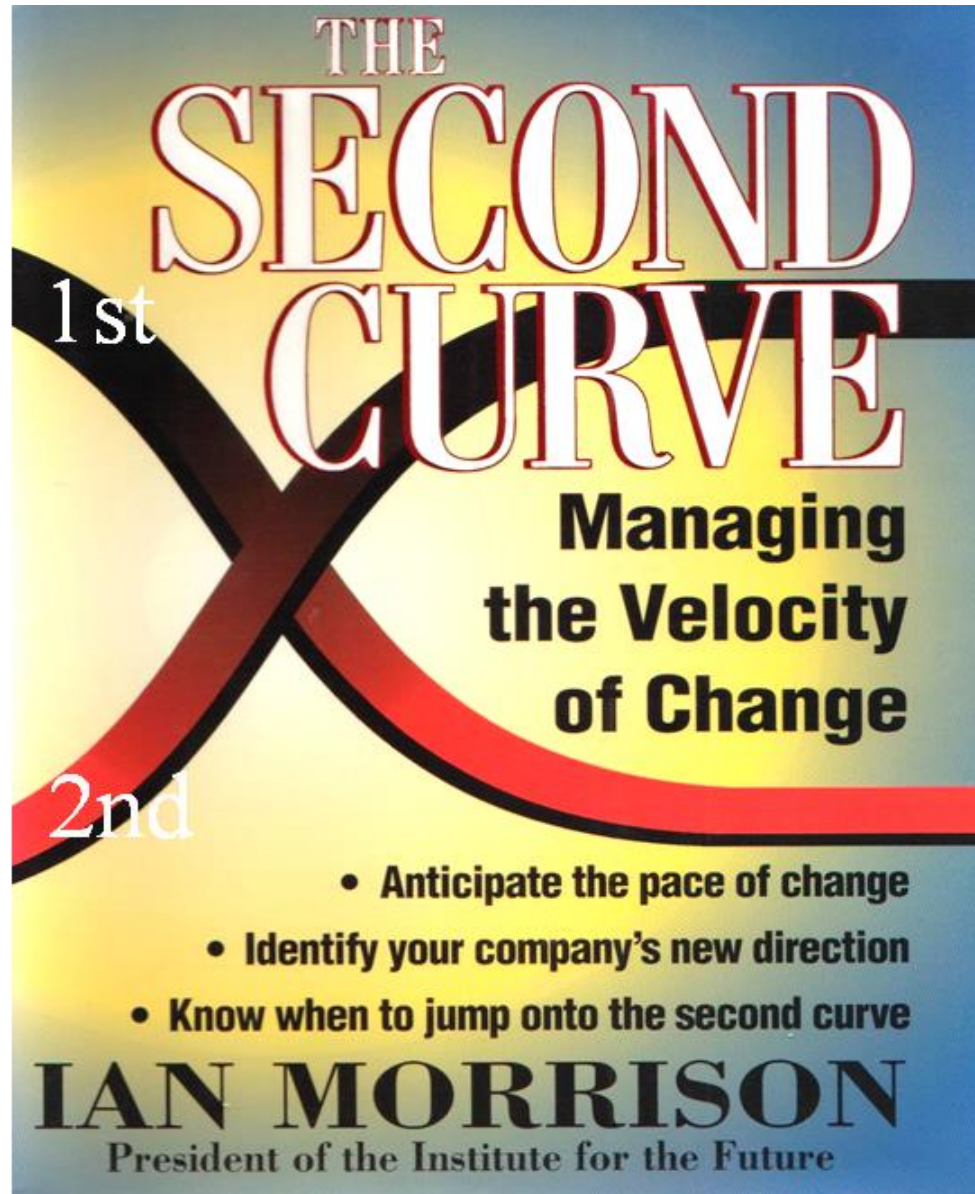
Theories



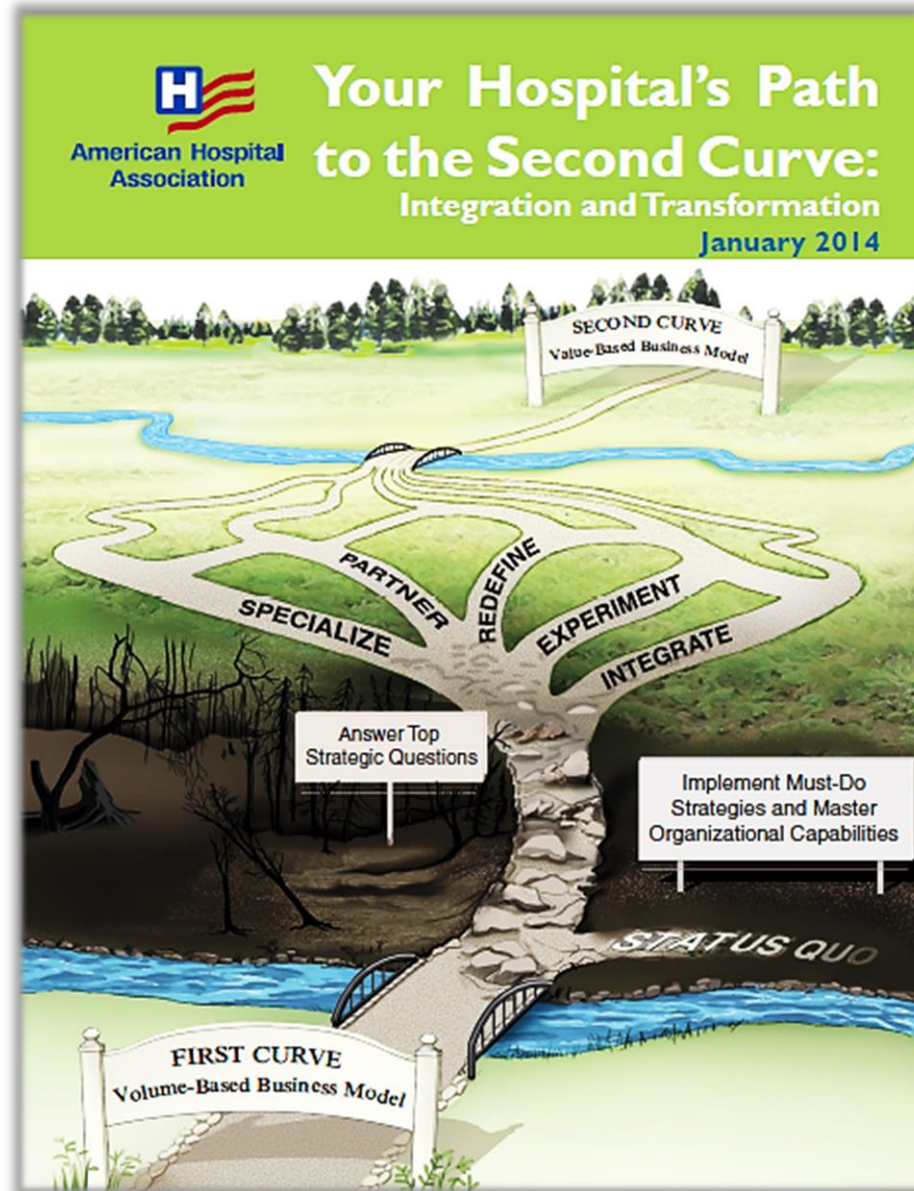
Where Are You?



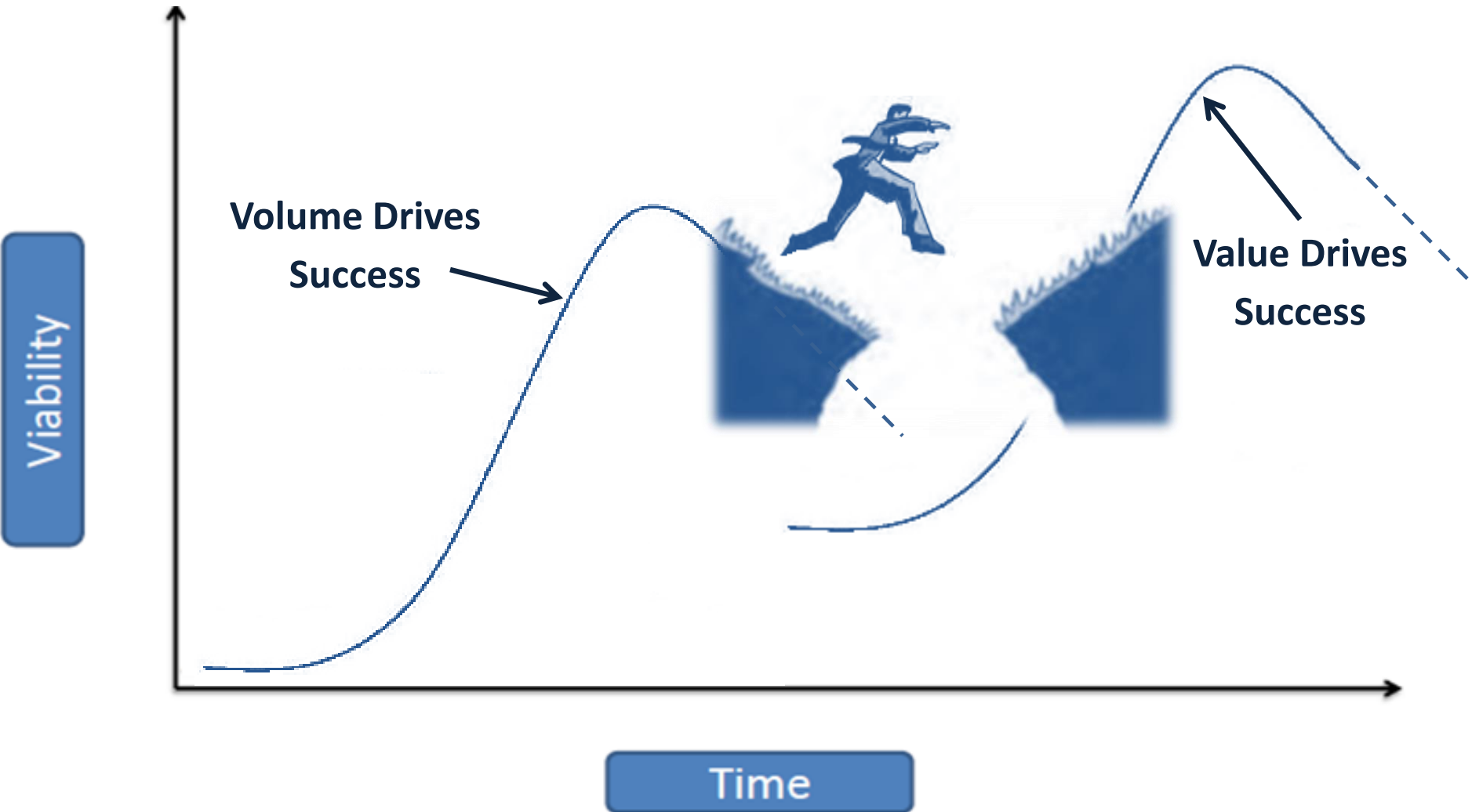
Inflection Point to Innovation-Theories



Moving toward the Second Curve



How to Make the Leap?

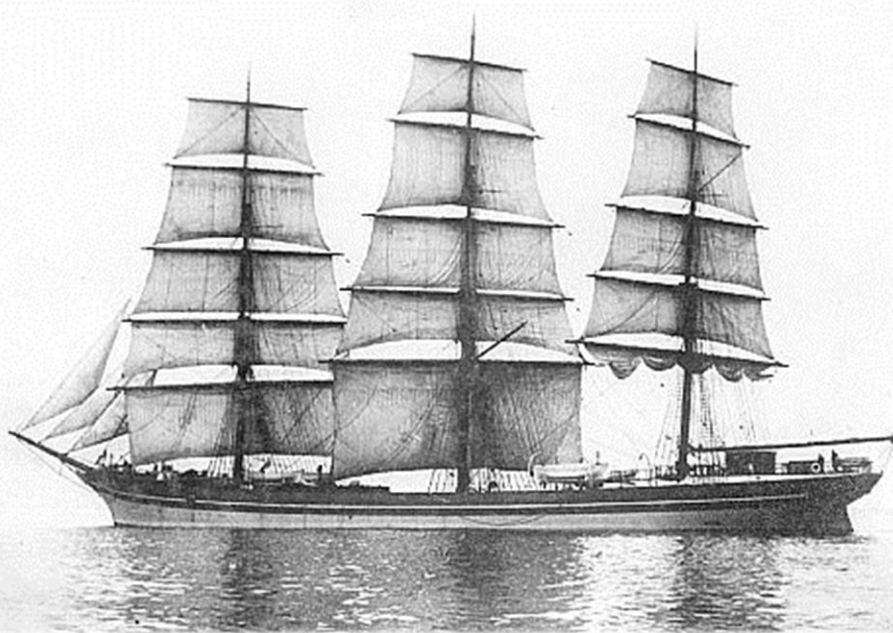


CHANGE

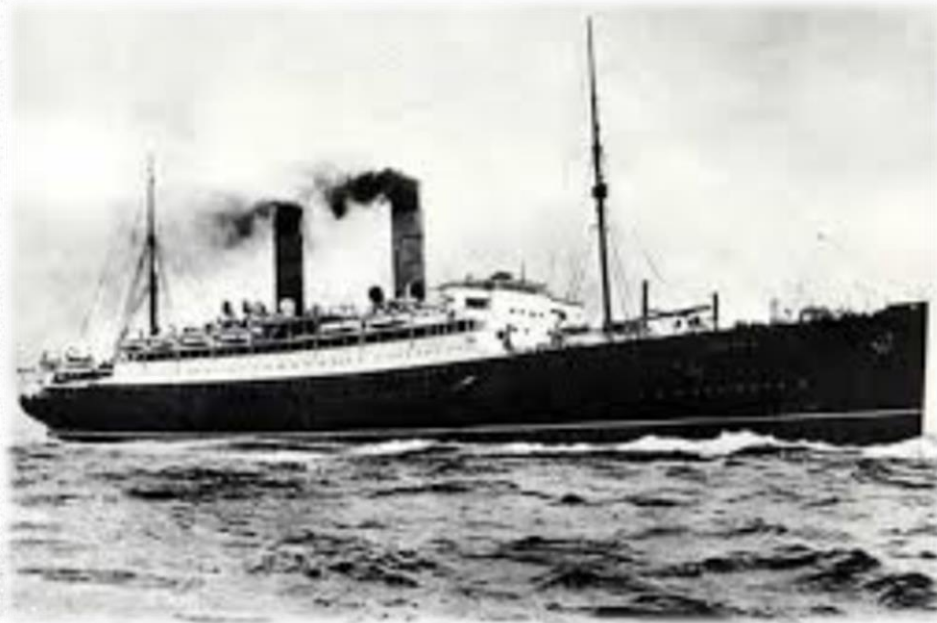
is good

Inflection Point – Case Study

1880s



Clipper Ships



Steam-powered Ships

Inflection Point – Case Study



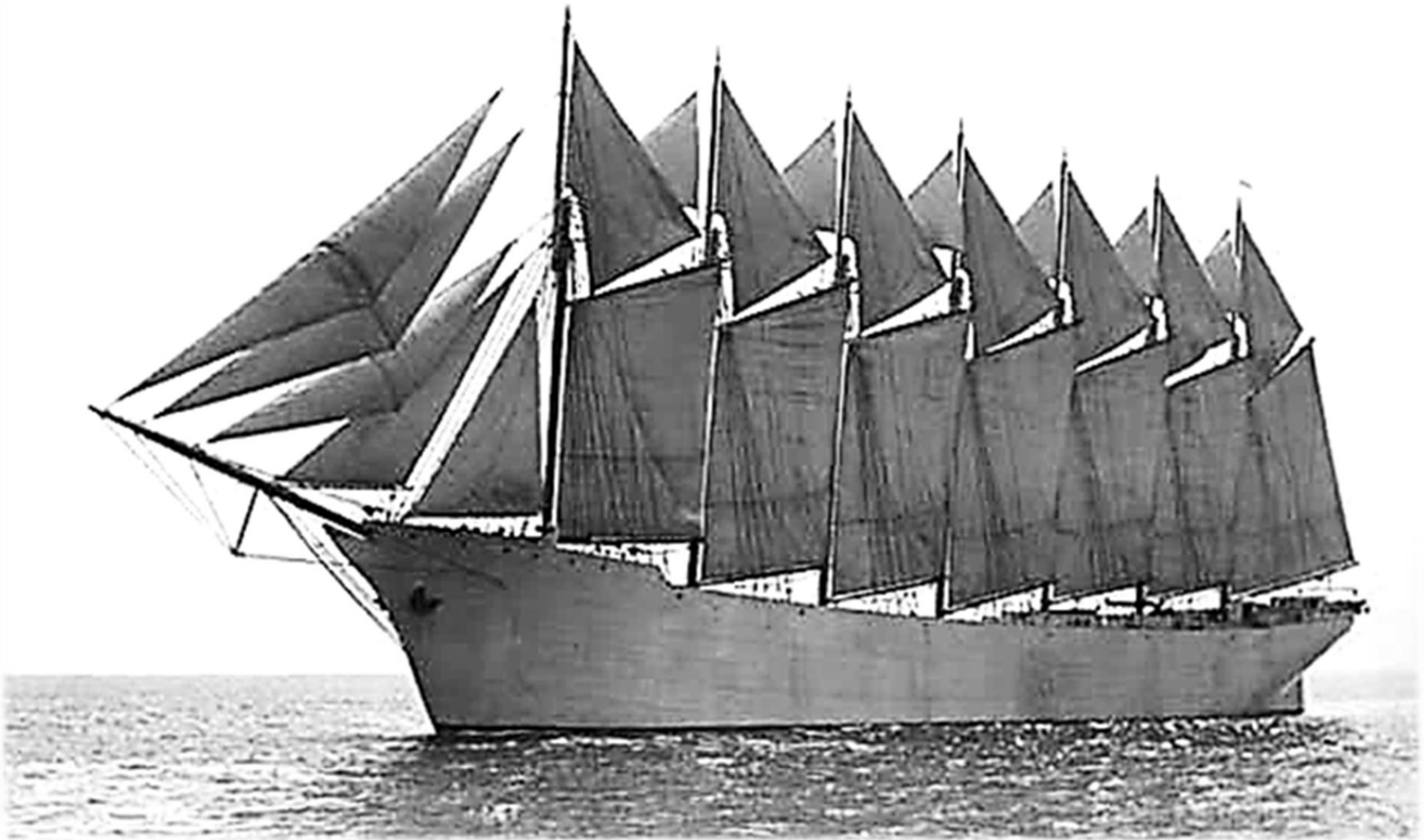
France II

Inflection Point – Case Study



Preussen

Inflection Point – Case Study



Thomas W. Lawson

Healthcare *INFLECTIONS*

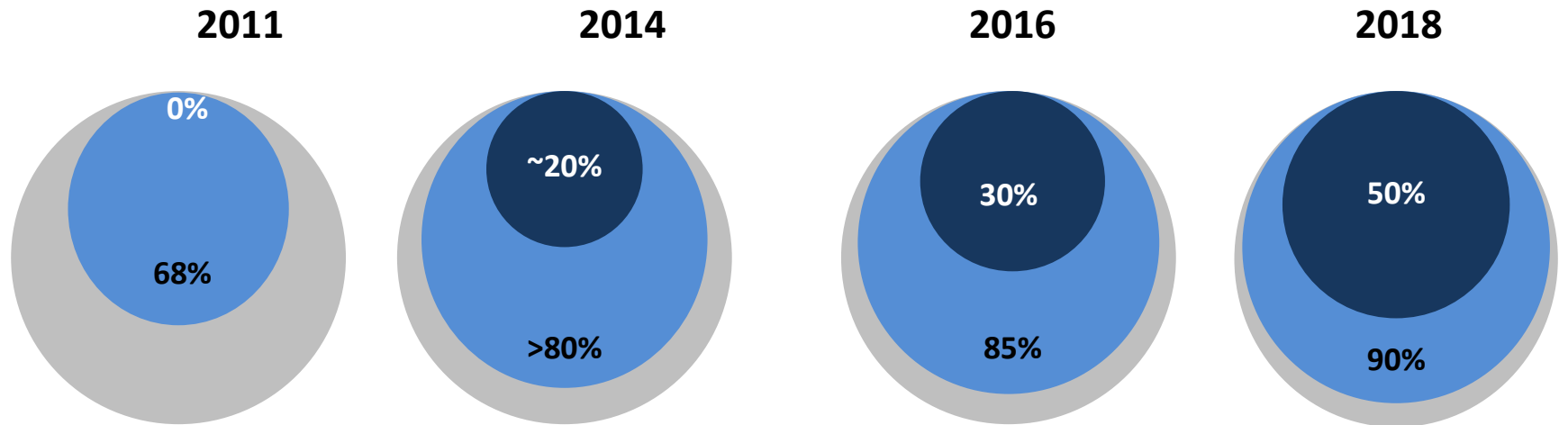
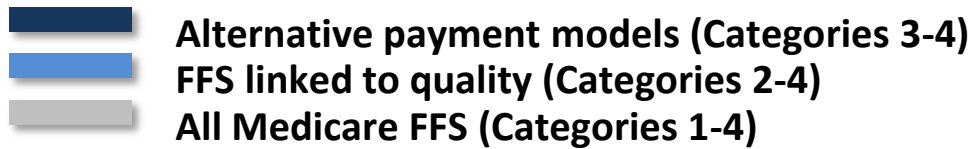
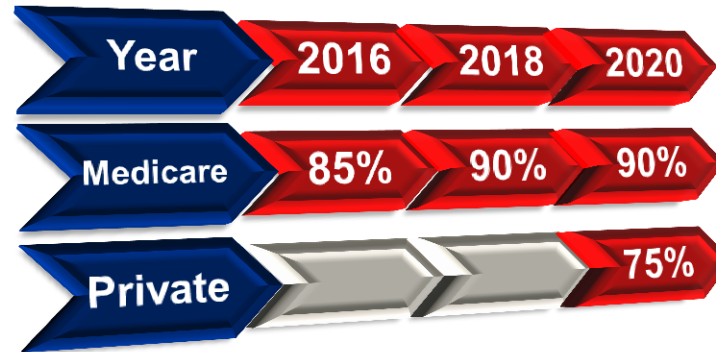


Healthcare *INFLECTION?*



The Affordable Care Act

HHS goals for value-based payments for Medicare



Historical Performance

Goals

Employers → Spectrum of Options

"Abdication"

"Activation"



No Health
Benefits

Defined
Contribution

Self-Funded
Benefits



Walmart Centers of Excellence Partners

- Cleveland Clinic
- Geisinger Medical Center
- Mayo Clinic
- Mercy Hospital Springfield
- Scott & White Memorial Hospital
- Virginia Mason Medical Center



PRESBYTERIAN
Healthcare Services

Intel Corporation

- Large employer headquartered in Santa Clara, California
- Entered into narrow-network **DIRECT CONTRACT** with Presbyterian Healthcare Services, an 8-hospital system in New Mexico

5,400

**Covered
lives**

\$8-10 M

**Projected
Savings
2013-2017**

Source: "Walmart Expands Health Benefits to Cover Heart and Spine Surgeries at No Cost to Associates," Walmart News, October 12, 2012, available at: <http://news.walmart.com>; Advisory Board interviews and analysis.

Source: Intel Corporation, "Employer-Led Innovation for Healthcare Delivery and Payment Reform: Intel Corporation and Presbyterian Healthcare Services," Santa Clara, California; Evans M, "Slimming Options," Modern Healthcare, July 13, 2013, available at: www.modernhealthcare.com; Health Care Advisory Board interviews and analysis.

Healthcare *INFLECTION?*



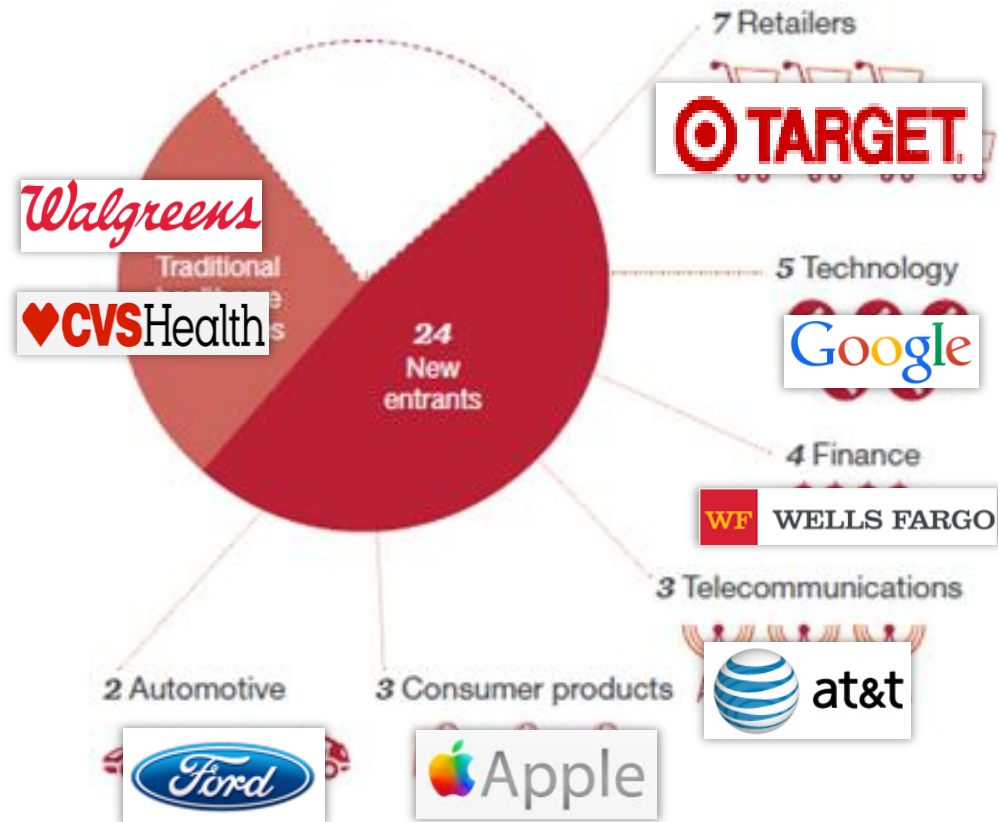
Bringing Everyday Low Prices
to Health Care

“Our goal is to be the
NUMBER 1
health-care *provider*
in the industry.”

Labeed Diab
President of Health & Wellness
Walmart

Healthcare's New Entrants

Of Fortune 50 Companies 2014;
38→Healthcare & 24→NEW ENTRANTS



All are Susceptible

When Is the Right Time to Change?

Transformation is...

- ✓ NOT 'PREDICTABLE'
- ✓ NO 'PERFECT TIME'
- ✓ NO ONE IS 'TOO BIG'...
TO FAIL

Are You Thinking?



Can We Have It Both Ways?



Key Challenges in US Health Care System



**UNSUSTAINABLE
COST**

2X

COST PER CAPITA VERSUS
OECD NATIONS



**VARIATION IN
QUALITY**

3X

VARIATION IN HOSPITAL DAYS
IN LAST 6 MONTHS OF LIFE



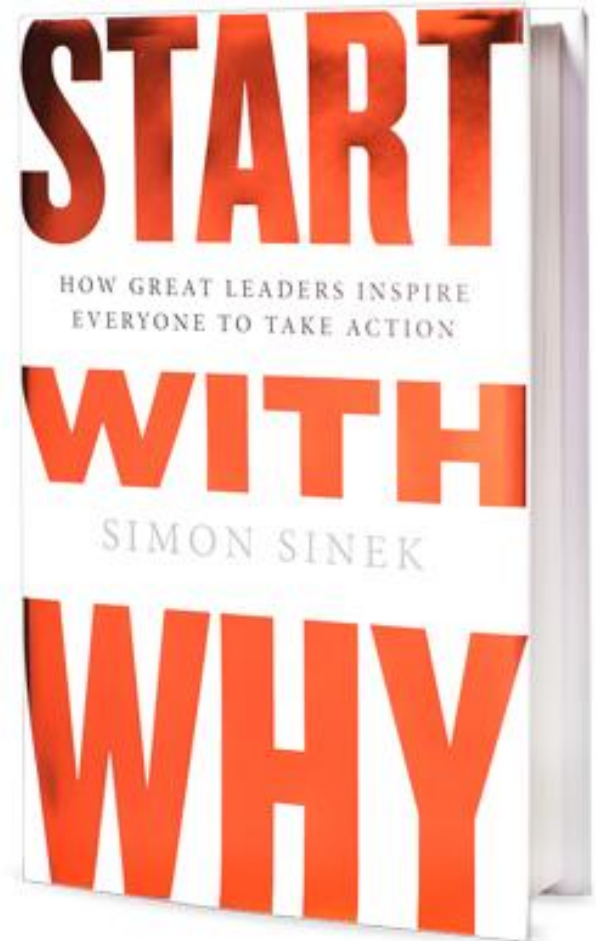
**LACK OF
COORDINATION**

\$91B

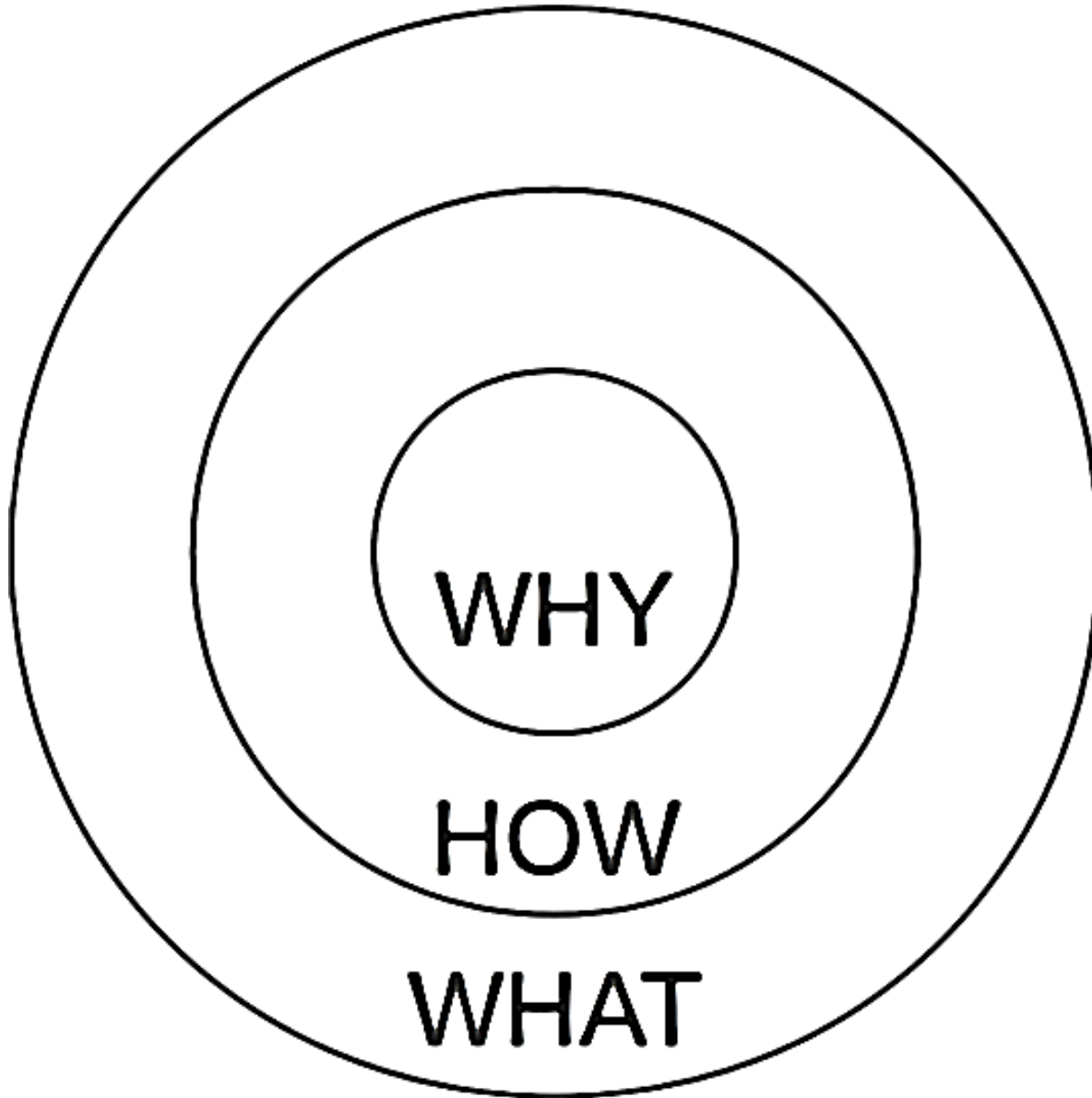
ANNUAL COSTS FOR
AVOIDABLE COMPLICATIONS
REDUNDANT
ADMINISTRATIVE PRACTICES

Source: Sam Nussbaum, MD, "Advancing Health Care Quality, Access, and Affordability Through Innovation"

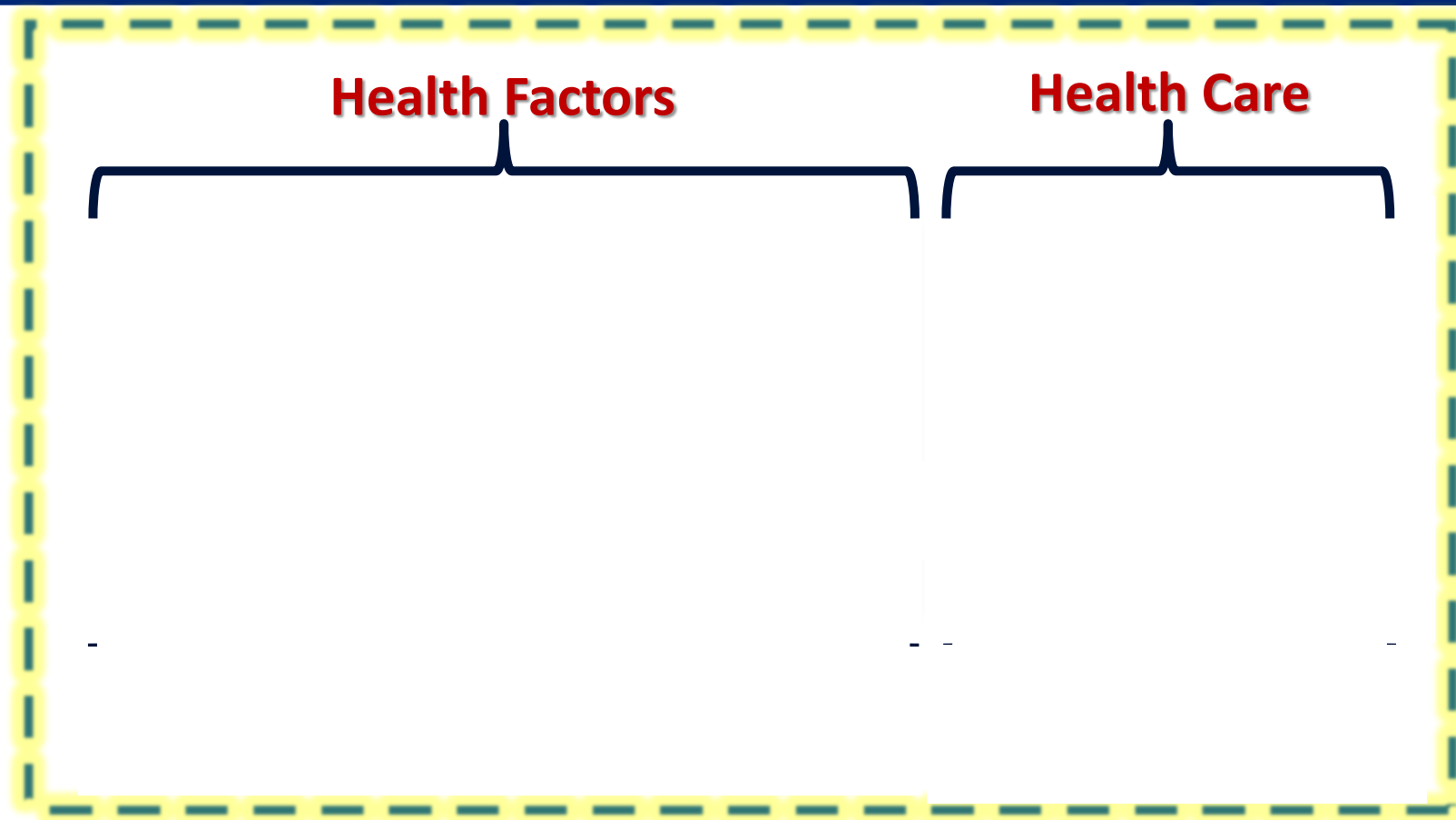
So What Now?



The “Golden Circle”



Healthcare Or ...



HEALTH

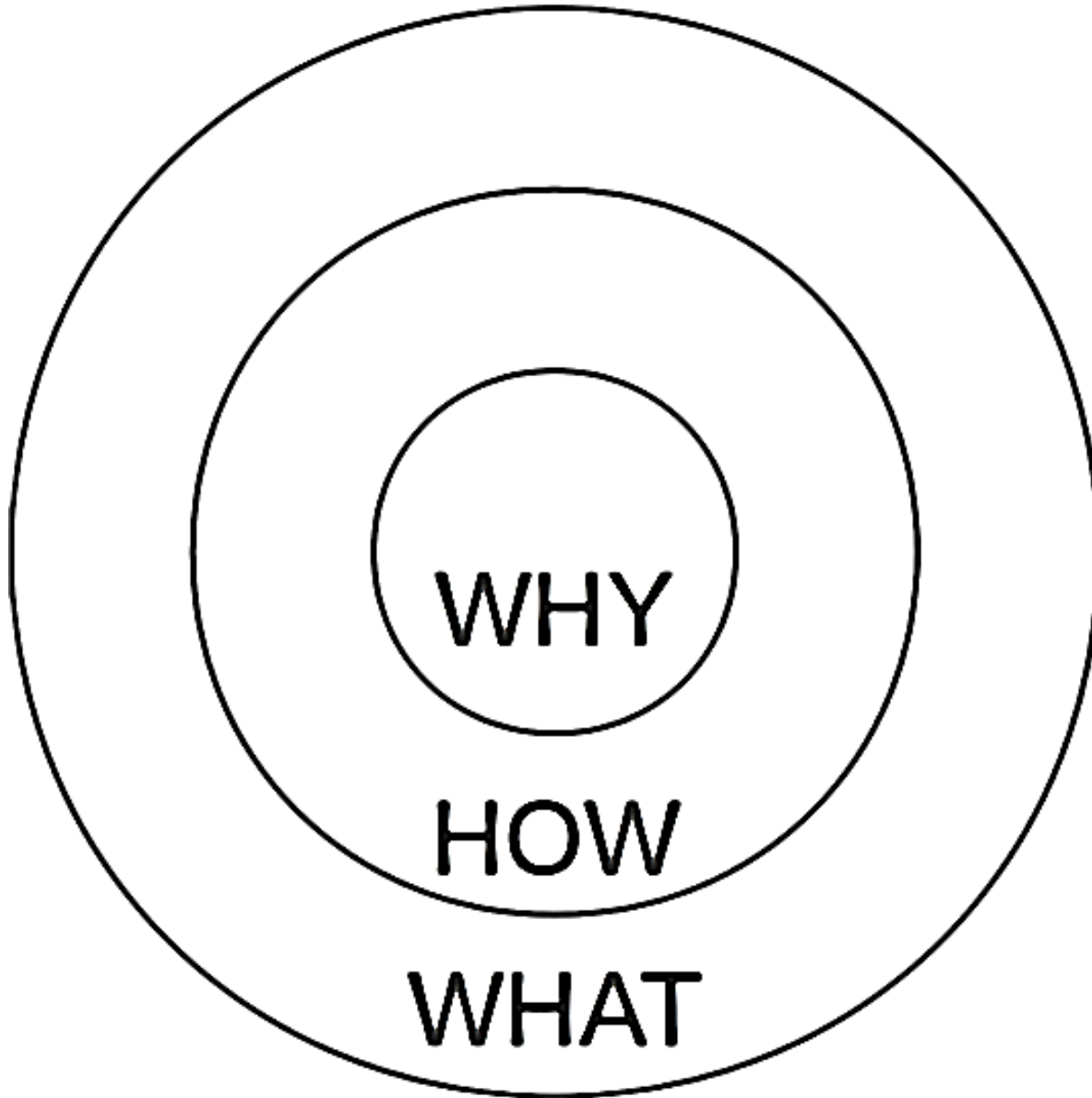
What → HEALTH

***“**HEALTH** is a state of
complete physical, mental
and social well-being
and not merely the absence
of disease or infirmity.”***

WHO, 1946

Preamble to the Constitution of the World Health Organization
as adopted by the International Health Conference,
New York, June, 1946

The “Golden Circle”



How Are We Doing?

KENTUCKY

RANK

POOR MENTAL HEALTH DAYS

50

CANCER DEATHS

50

PREVENTABLE HOSPITALIZATIONS

50

CHILDREN IN POVERTY

50

SMOKING

49

DRUG OVERDOSE DEATHS

48

POOR PHYSICAL HEALTH DAYS

47

OBESITY IN ADULTS

46

PREMATURE DEATH

44

CARDIOVASCULAR DEATHS

43

PHYSICAL INACTIVITY

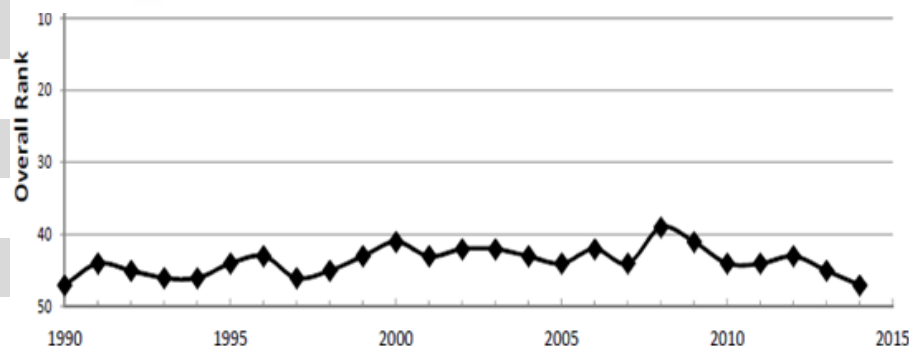
42

LOW BIRTHWEIGHT

38

DIABETES IN ADULTS

33



America's Health Rankings

2014

LIFE In Kentucky: 1964



LIFE HISTORY CULTURE ICONS CURIOSITIES PHOTOGRAPHERS

MOST POPULAR

- 'Addams Family' Hopefuls: Photos From Auditions for a Classic TV Show
- A Rip in the Iron Curtain: Photos From the Hungarian Revolution, 1956
- Art for the Reich's Sake: Painting, Propaganda and the Hyping of 'Aryan' Culture
- 'The Most Beautiful Suicide': A Violent Death, an Immortal Photo
- Scenes of 'Fury': The Brutal Reality of Tank Warfare in World War II
- Behind the Picture: The Photo That Changed the Face of AIDS

WAR ON POVERTY: PORTRAITS FROM AN APPALACHIAN BATTLEGROUND, 1964 1 of 36

John Dominis—Time & Life Pictures/Getty Images

Caption from LIFE. "In a shack near Neon, Ky., Mrs. Delphi Mobley comforts daughter Riva, ill with measles. Proper medical care is beyond her \$125 monthly welfare pay."

FULL SCREEN

WAR ON POVERTY: PORTRAITS FROM AN APPALACHIAN BATTLEGROUND, 1964

12 of 36



John Dominis—Time & Life Pictures/Getty Images

Not published in LIFE. Appalachia, eastern Kentucky, 1964.

FULL SCREEN



John Dominis—Time & Life Pictures/Getty Images

Caption from LIFE. "All over Appalachia the ruins of trestles jut from deserted hillside coal mines. This mine, once owned by Thornton Mining Co., was making big money 20 years ago. It paid miners \$8.50 a day -- good pay in those days -- and wealth flowed through the valley. The mine closed in 1945."

FULL SCREEN

Historical Legislation



July 30, 1965

President Lyndon B. Johnsons signing SSA establishing Medicare and Medicaid

Impact of "War on Poverty"

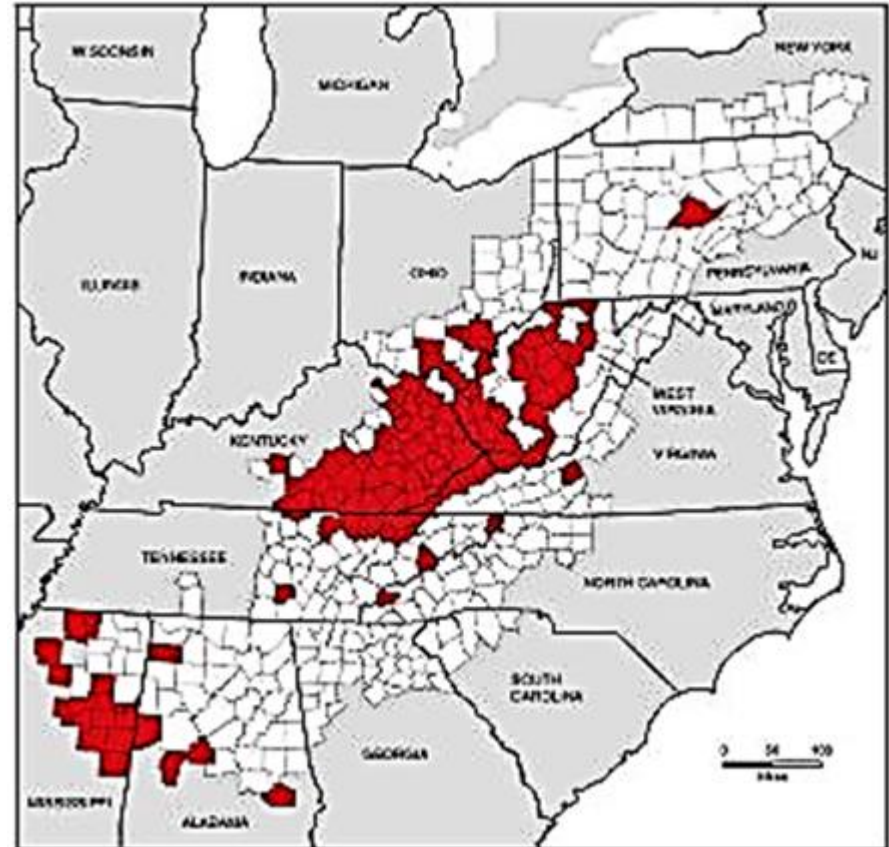
"High-Poverty" Counties

1960



296 High-Poverty Counties

2010



116 High-Poverty Counties

50 Years Later...

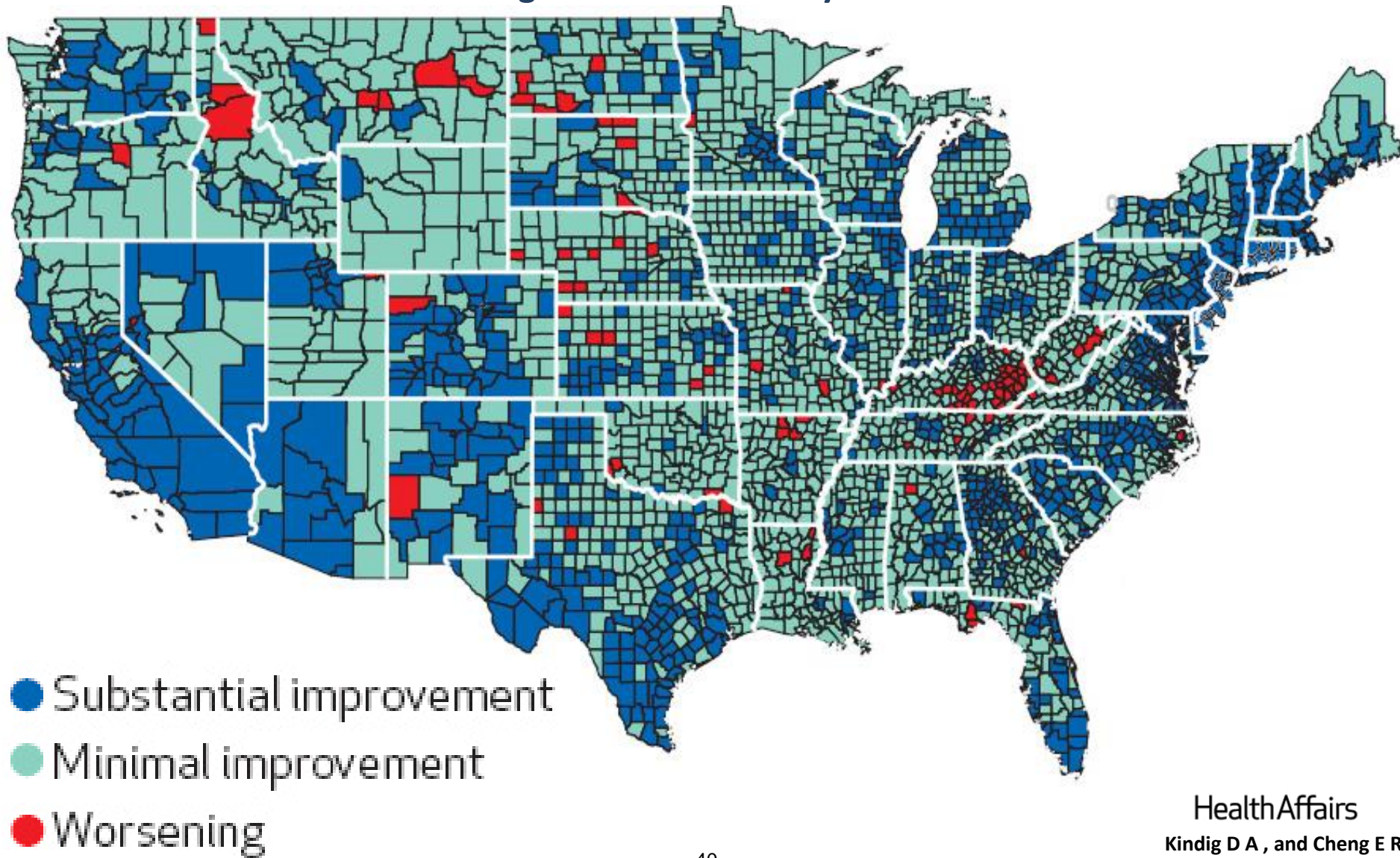


Life Expectancy: Males



Mortality Rates in Men

Change in Male Mortality Rates



HealthAffairs

Kindig D A , and Cheng E R
2013;32:451-458

Mortality Rates in Women

Change in Female Mortality Rates

Life Expectancy in Women

Women in Perry County, Ky. have the *shortest*:
--> Average **72.7 years**

(*LESS THAN women in Russia and Vietnam*)

July 10, 2014 Population Health Metrics.

- Substantial improvement
- Minimal improvement
- Worsening

HealthAffairs

Kindig D A , and Cheng E R
2013;32:451-458

Premature Deaths

100 200 300 400 500 600 700 800 900 1000

(per 1000)

Bottom 25

Counties
With
Highest Mortality Rates

	County	Mortality Rate
1	Shannon, S.D.	983.4
2	Todd, S.D.	878.2
3	McDowell, W.Va.	861.2
4	Sioux, N.D.	834.5
5	Dewey, S.D.	811.4
6	Corson, S.D.	792.6
7	Union, Fla.	780.6
8	Owsley, Ky.	777.6
9	Robertson, Ky.	745.4
10	Perry, Ky.	742.7
11	Leslie, Ky.	737.5
12	Powell, Ky.	736.8
13	Wyoming, W.Va.	731.4
14	Wolfe, Ky.	724.2
15	Roosevelt, Mont.	716.9
16	Tunica, Miss.	713.8
17	Breathitt, Ky.	712.3
18	Buffalo, S.D.	711.2
19	Clay, Ky.	705.3
20	Bolivar, Miss.	702.6
21	Benson, N.D.	700
22	Knott, Ky.	696.2
23	Mingo, W. Va.	695.5
24	Harlan, Ky.	686.5
25	Floyd, Ky.	685.5

11
In
Kentucky

Where Are The Hardest Places to Live

Clay County, Kentucky

Overall Rank: 3,135 of 3,135

Median Income: \$22,296

College Education: 7.4%

Unemployment: 12.7%

Disability: 11.7%

Life Expectancy: 71.4 Years

Obesity: 45%



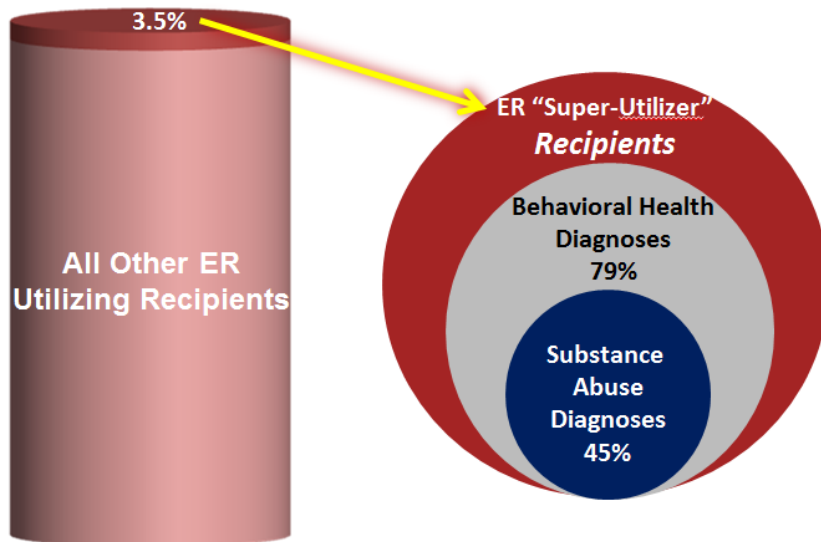
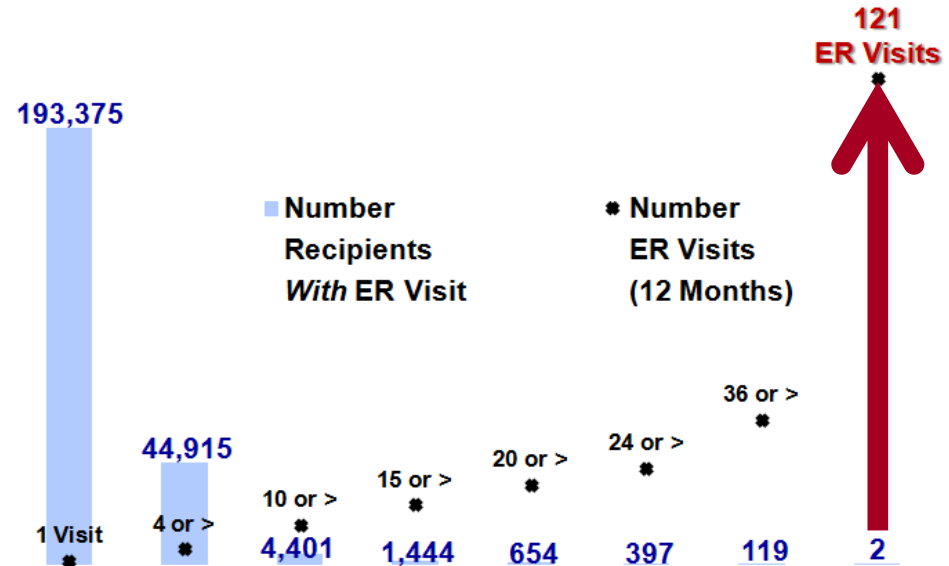
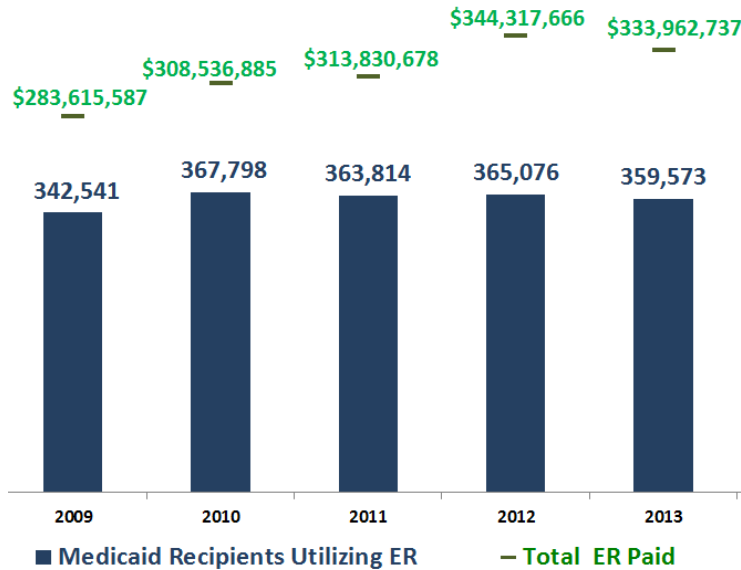
County Ranking



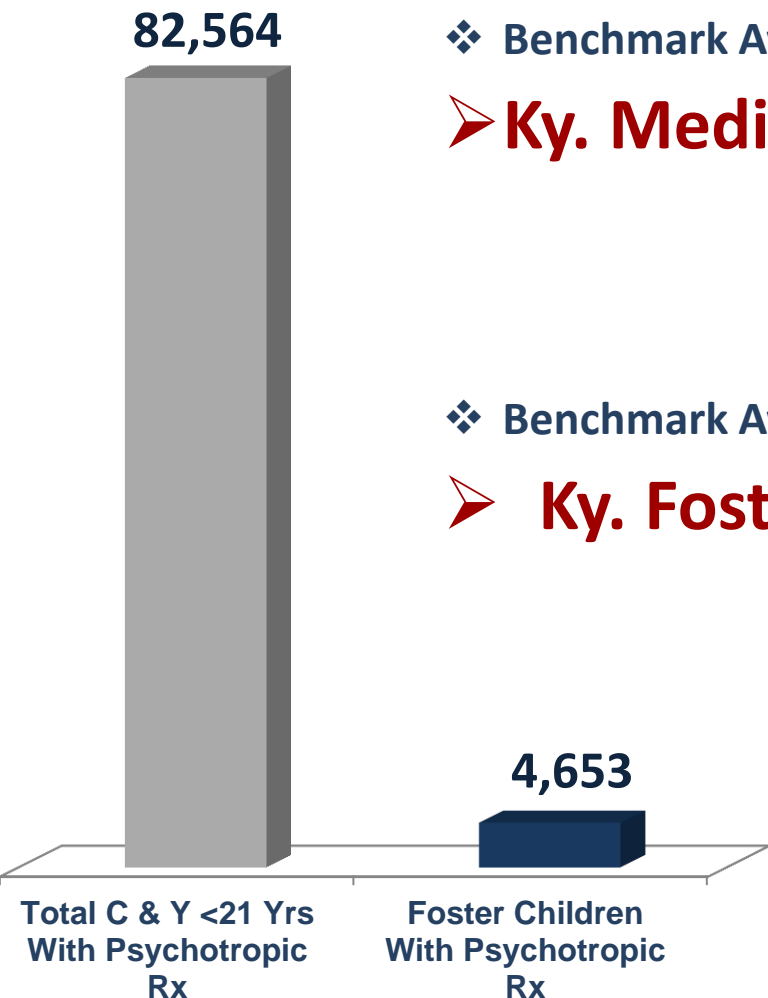
The 10 lowest counties in the country, by this ranking, include a cluster of six in the Appalachian Mountains of eastern Kentucky (Breathitt, Clay, Jackson, Lee, Leslie and Magoffin), along with four others in various parts of the rural South: Humphreys County, Miss.; East Carroll Parish, La.; Jefferson County, Ga.; and Lee County, Ark.

A composite ranking of where Americans are healthy and wealthy, or struggling.

ER Utilization in Ky. Medicaid



Psychotropic Medication Use



❖ Benchmark Average Medicaid Children With Psychotropic Rx = 7%

➤ **Ky. Medicaid Children With Psychotropic Rx**
→ **14%**

❖ Benchmark Average Foster Children with Psychotropic Rx = 26%

➤ **Ky. Foster Children with Psychotropic Rx**
→ **42%**

9 States: Colorado, Maine, Missouri, New Hampshire, New York, Oklahoma, Pennsylvania, Tennessee, Washington
(Total Child Population N = 5.4 million)

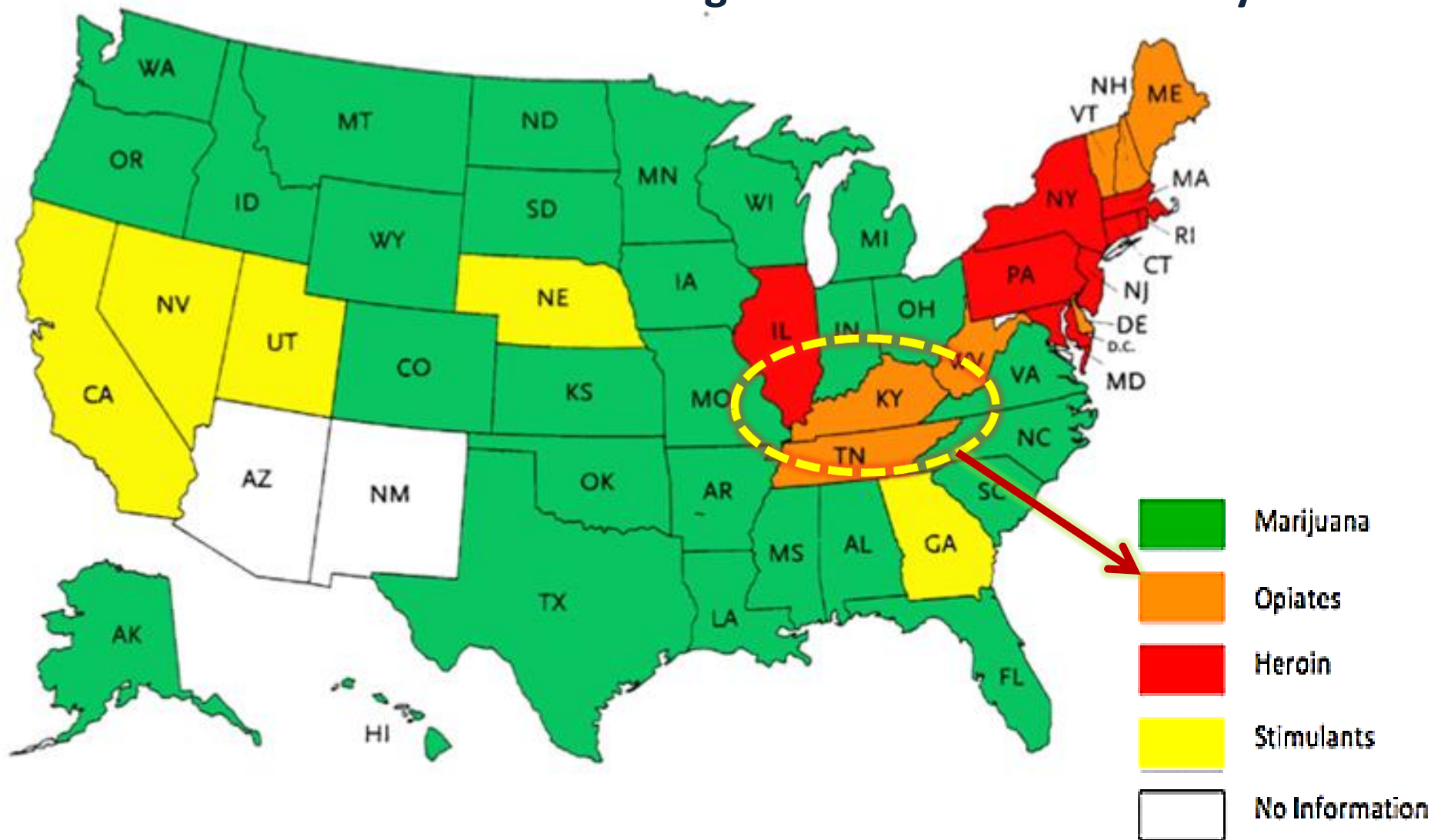
Take-Aways

- Psychotropic medications are being prescribed to very young children, at levels above those approved for use in adults, and often in combination with other medications.
- Rate of use for foster children is nearly **six times** that of TANF children in Medicaid.
- **HOW SHOULD WE RESPOND?**

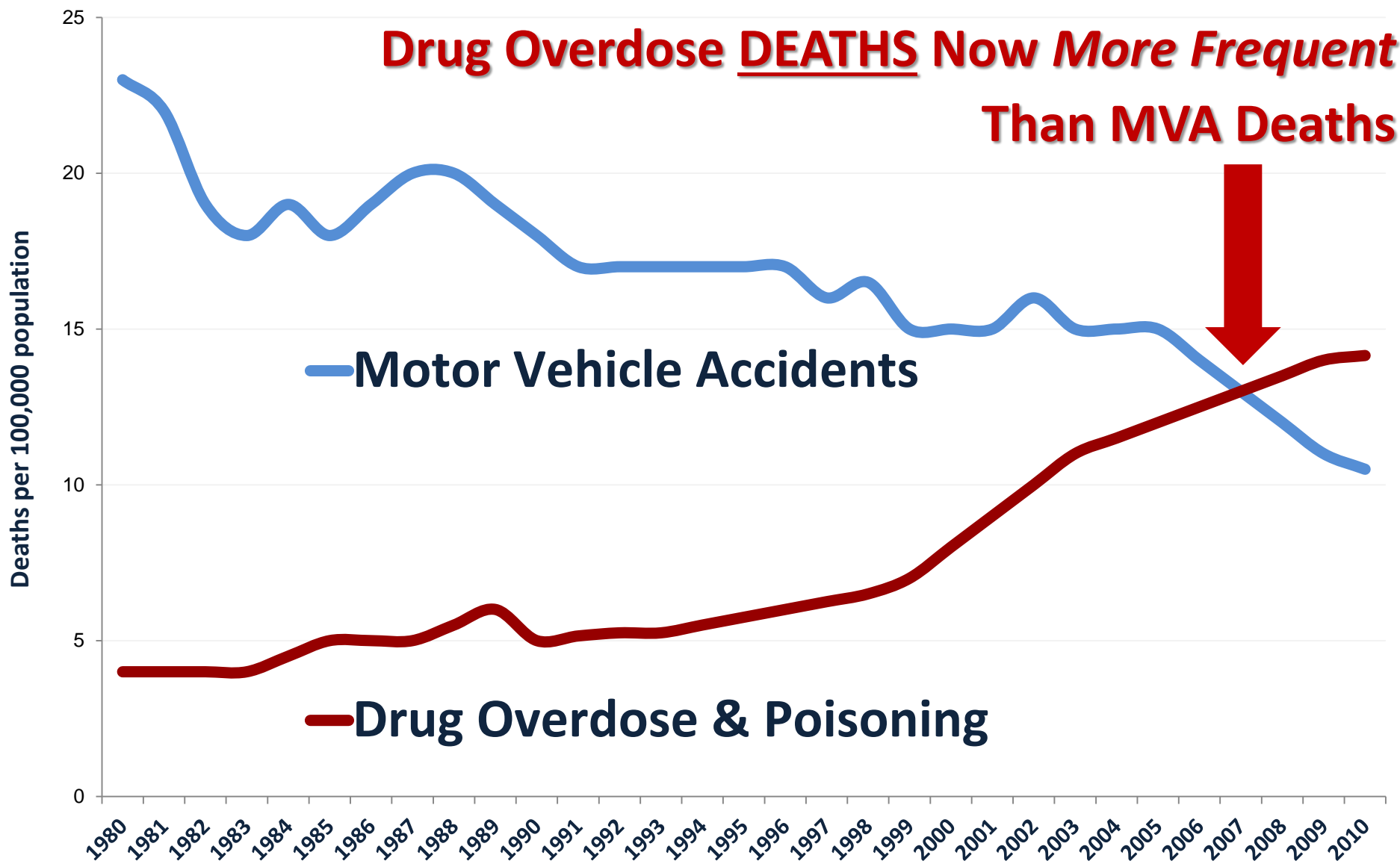


Opioid Over-use and Abuse

Most Common Drug Treatment Admissions by State

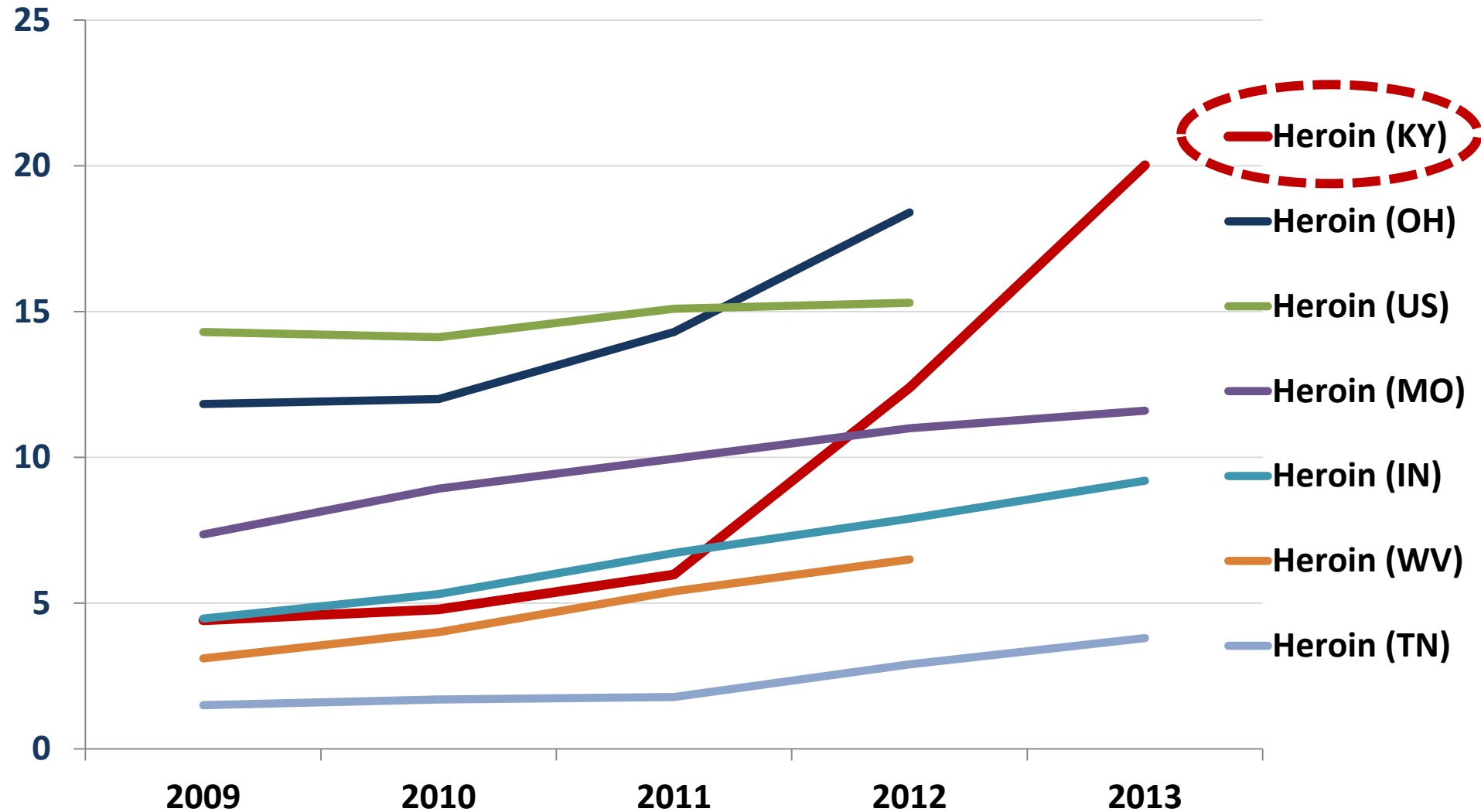


Causes of Death in Kentucky



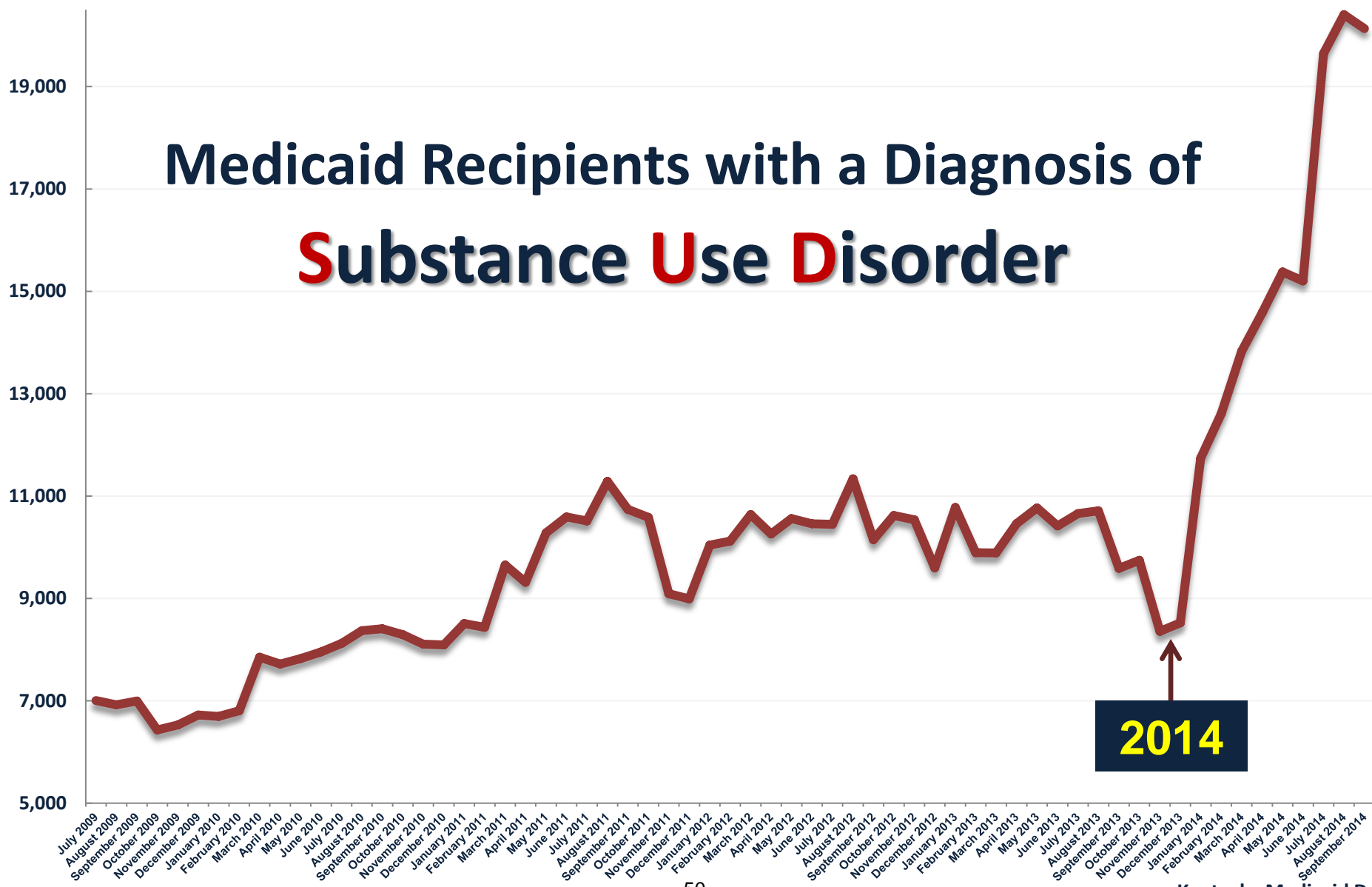
Substance Abuse Treatment Admissions

% Primary Hospital Admissions For Heroin



SUD Diagnosis

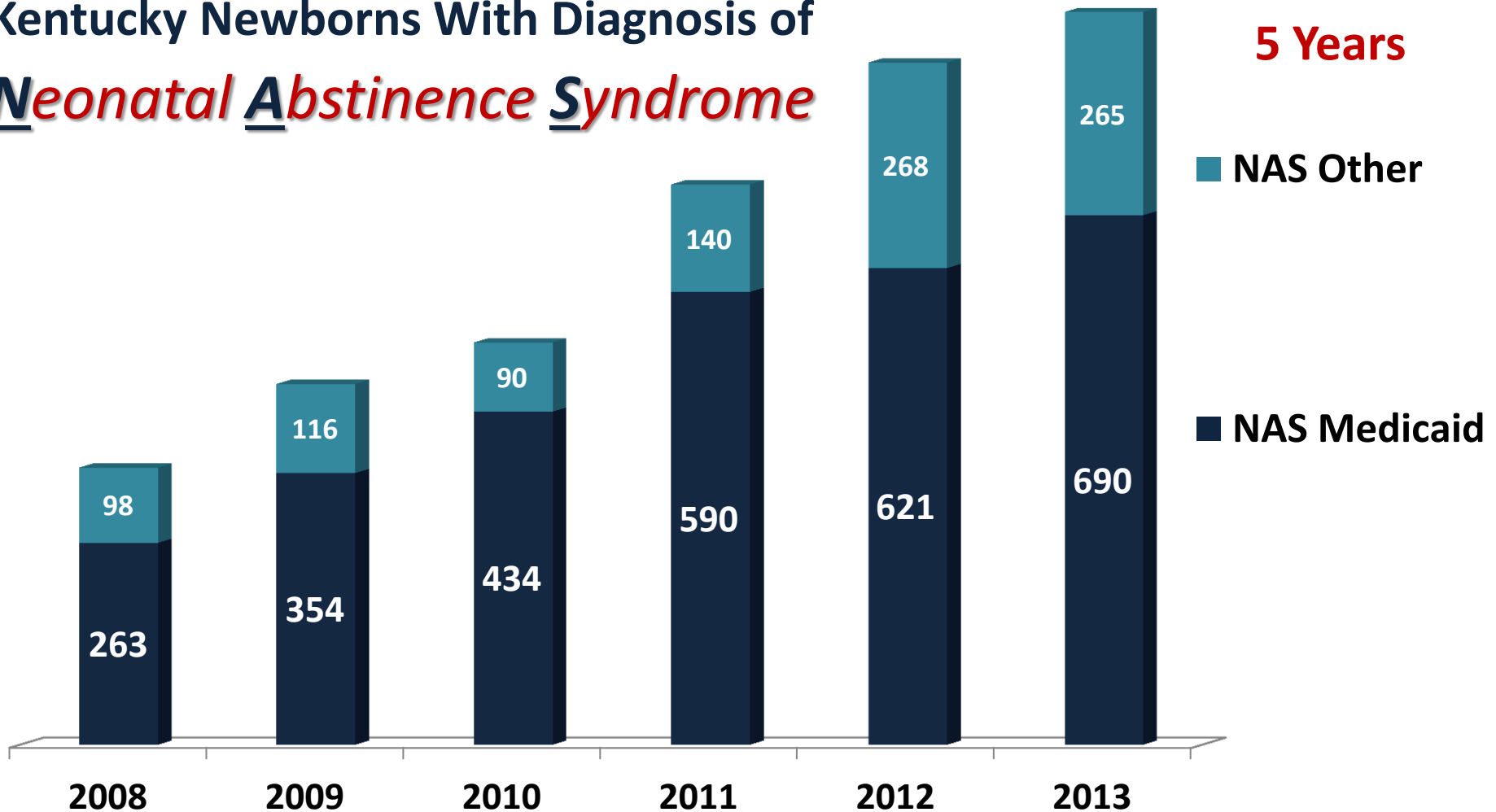
Medicaid Recipients with a Diagnosis of Substance Use Disorder



NAS Hospitalizations

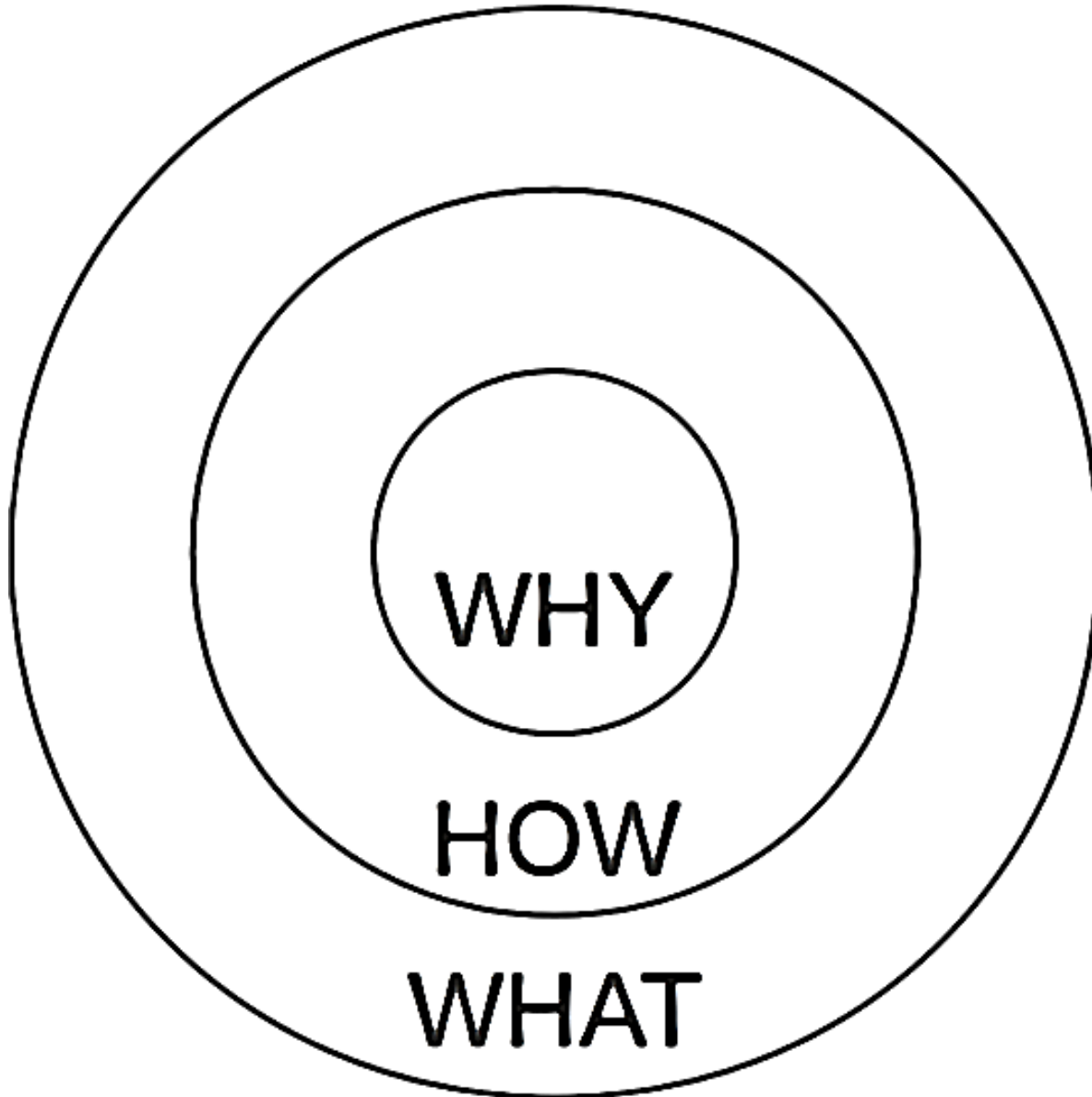
Kentucky Newborns With Diagnosis of Neonatal Abstinence Sndrome

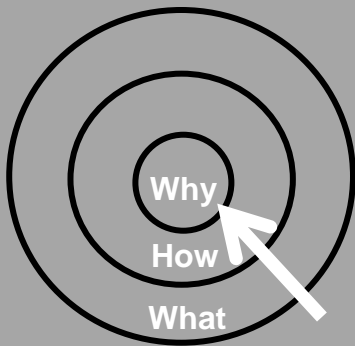
165% Increase
5 Years



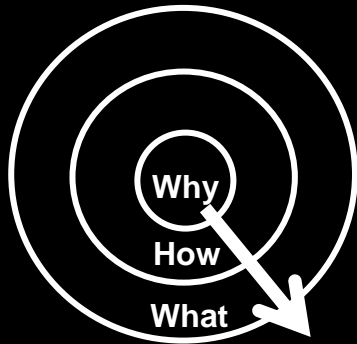
How will we
“move the needle”
In Kentucky?

The “Golden Circle”



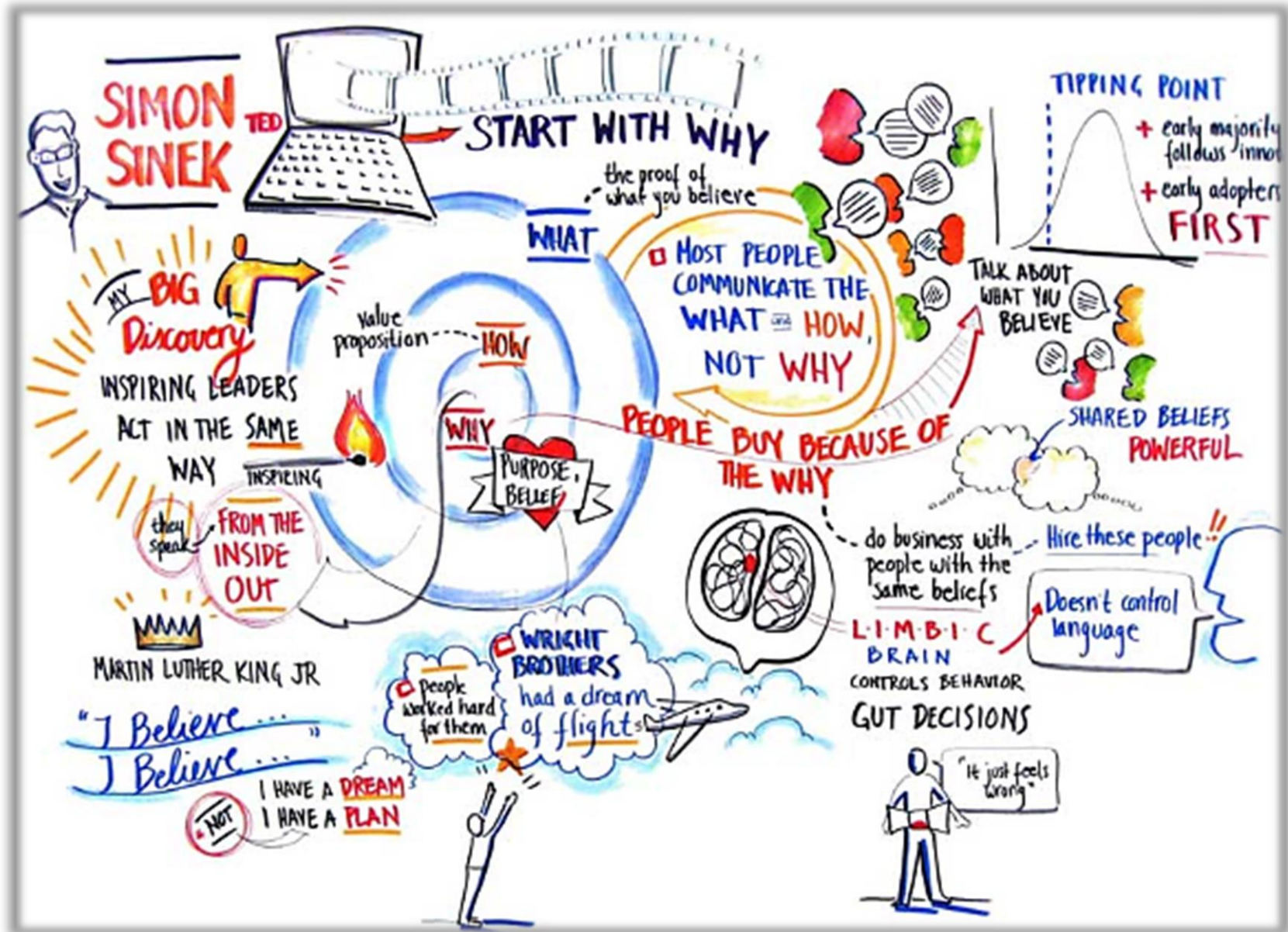


- We Make Great Computers
- They're Beautifully Designed, Simple to Use, and User Friendly
- Want To Buy One?



- Everything we do, we believe in challenging the status quo. We believe in *Thinking Differently*
- The way we challenge the status quo is by making our products beautifully designed, simple to use and user-friendly.
- And we happen to make Great Computers.
- **Want To Buy One?**

Start With Why...



WHY

**National
Quality
Strategy**



**Triple
Aim**

Narrative



"Poor Health
turns lives upside down"

"There is a direct line
from poor health to almost
every challenge Kentucky faces"

"For Kentucky to improve its
competitiveness and capacity, we
must address this weakness...
*AND incremental improvements
are not enough*"

*"BIG PROBLEMS Require BIG SOLUTIONS,
And that means.....BIG CHANGES!"*

Many “Whys”

- ❖ State Innovation Model Design
- ❖ *Kyhealthnow*
- ❖ QHI
- ❖ State-University Partnerships
 - ✓ Psychotropic Medication Use in Children
 - ✓ Healthcare Workforce
 - ✓ Kentucky Health Data Trust (APCD)
- ❖ Drug Overdose Deaths
- ❖ Innovator Accelerator Program (IAP)
- ❖ Health Home Planning (2703)
- ❖ ER Super-Utilizer Initiative (ER *SMART*)
- ❖ CON Modernization
- ❖ Meaningful Use
- ❖ Telehealth
- ❖ MEMS
- ❖ Eligibility Services and Integration Systems
- ❖ Improved Clinical Quality Outcomes in Medicaid



Technology
is never a solution...

BUT

...without technology
there are few solutions

Rodney Murphy

Looking Forward to “Thinking Differently”

*Thank You for
Listening*



QUESTIONS

